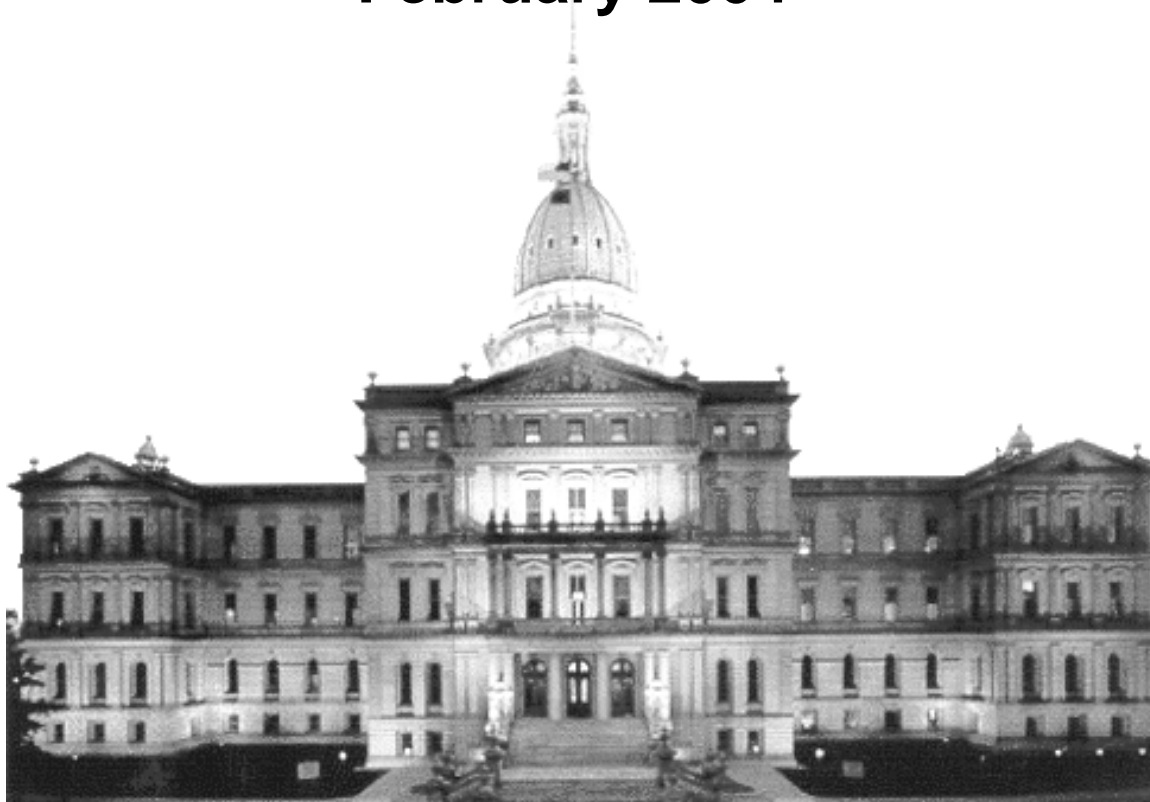




FY 2002-03
APPROPRIATIONS REPORT
Year-End Appropriations

February 2004



THE SENATE FISCAL AGENCY

The Senate Fiscal Agency is governed by a board of five members, including the majority and minority leaders of the Senate, the Chairperson of the Appropriations Committee of the Senate, and two other members of the Appropriations Committee of the Senate appointed by the Chairperson of the Appropriations Committee with the concurrence of the Majority Leader of the Senate, one from the minority party.

The purpose of the Agency, as defined by statute, is to be of service to the Senate Appropriations Committee and other members of the Senate. In accordance with this charge the Agency strives to achieve the following objectives:

1. To provide technical, analytical, and preparatory support for all appropriations bills.
2. To provide written analyses of all Senate bills, House bills and Administrative Rules considered by the Senate.
3. To review and evaluate proposed and existing State programs and services.
4. To provide economic and revenue analysis and forecasting.
5. To review and evaluate the impact of Federal budget decisions on the State.
6. To review and evaluate State issuance of long-term and short-term debt.
7. To review and evaluate the State's compliance with constitutional and statutory fiscal requirements.
8. To prepare special reports on fiscal issues as they arise and at the request of members of the Senate.

The Agency is located on the 8th floor of the Victor Office Center. The Agency is an equal opportunity employer.



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OVERVIEW

FY 2002-03 YEAR-END APPROPRIATIONS OVERVIEW

At the close of fiscal year (FY) 2002-03, the Michigan Legislature had approved and Governors John Engler and Jennifer Granholm had signed into law FY 2002-03 Adjusted Gross appropriations that totaled \$39.6 billion. This represents an increase of \$554.1 million over the initial appropriations enacted at the beginning of the fiscal year. This report provides a summary of the changes in FY 2002-03 appropriations that occurred between the enactment of the initial set of appropriation bills and the final level of appropriations for the fiscal year. A detailed summary of the initial FY 2002-03 appropriation bills is contained in the Senate Fiscal Agency's (SFA's) FY 2002-03 Appropriation Report: Initial Appropriations published in October 2002.

The changes made to the initial set of FY 2002-03 appropriations include the enactment of nine separate supplemental appropriation bills, appropriation adjustments related to two Executive Orders approved by the Legislature, a pro-rata reduction in School Aid payments, a series of contingency transfers approved by both the House and Senate Appropriations Committees, and reductions in State revenue sharing payments due to adjustments in revenue estimates. This SFA report discusses these adjustments in detail as they affect each separate appropriation bill. Finally, the report provides a brief summary of the final year-end balances in both the FY 2002-03 General Fund/General Purpose (GF/GP) budget and the FY 2002-03 School Aid Fund (SAF) budget.

Table 1 provides a summary of the final level of FY 2002-03 appropriations by fund source. Table 2 provides a summary of the year-end Adjusted Gross appropriations. The initial set of FY 2002-03 Adjusted Gross appropriations totaled \$39.0 billion, supplemental appropriations totaled \$1.0 billion, Executive Order reductions and School Aid pro-rata reductions totaled \$639.2 million, and contingency fund transfers and revenue sharing adjustments totaled \$189.7 million. Table 3 provides a summary of the \$1.0 billion of Adjusted Gross appropriations contained in the nine supplemental appropriation bills. Table 4 provides a summary of the \$639.2 million of appropriation reductions contained in Executive Orders 2002-22 and 2003-3 and in the pro-rata reduction in payments to local school districts. Table 5 provides a summary of the final level of FY 2002-03 State Spending from State Resources appropriations totaled \$26.5 billion, supplemental appropriations totaled \$124.8 million, Executive Order and School Aid pro-rata reductions totaled \$601.3 million, and contingency fund transfers and revenue sharing adjustments totaled \$17.4 million. Table 6 provides a summary of the \$124.8 million of State Spending from State Resources appropriations contained in the nine supplemental appropriation bills. Table 7 provides a summary of the \$601.3 million of appropriation reductions contained in Executive Orders 2002-22 and 2003-3 and the pro-rata reduction in payments to local school districts. Table 8 provides a summary of the final level of FY 2002-03 GF/GP appropriations. The initial set of FY 2002-03 GF/GP appropriations totaled \$9.2 billion, supplemental appropriations reduced appropriations by \$14.0 million, and Executive Order reductions totaled \$351.6 million. Table 9 provides a summary of the \$14.0 million of appropriation reductions contained in the nine supplemental appropriation bills. Table 10 provides a summary of the \$351.6 million of appropriation reductions contained in Executive Orders 2002-22 and 2003-3.

FY 2002-03 SUPPLEMENTAL APPROPRIATION BILLS

During FY 2002-03, the Legislature approved and Governors Engler and Granholm signed into law nine supplemental appropriation bills. The following information provides a brief summary of each of these supplemental appropriation bills.

Public Act 746 of 2002: The bill provided for \$111.9 million of Adjusted Gross appropriations and a \$43.9 million GF/GP appropriation reduction. The bill made appropriations for Natural Resources Trust Fund projects, operational funding increases for community colleges and universities, funding reductions for the Legislature and the Judiciary, and the appropriation of debt service for general obligation bonds on environmental projects.

Public Act 39 of 2003: The bill provided for \$347.7 million of Adjusted Gross appropriations and a \$7.8 million GF/GP appropriation reduction. The bill provided for the appropriation of available Federal funds for election reform efforts, homeland security initiatives, low-income energy assistance programs, and the eradication of emerald ash borer in southeastern Michigan. The bill also provided for further funding reductions for the Legislature and the Judiciary.

Public Act 144 of 2003: The bill provided for \$7.0 million of Adjusted Gross appropriations and zero GF/GP appropriations. The bill funded operational increases for universities funded from Michigan Merit Award Trust Fund revenue.

Public Act 146 of 2003: The bill provided for \$1.1 million of Adjusted Gross appropriations and zero GF/GP appropriations. The bill funded operational increases for community colleges funded from Michigan Merit Award Trust Fund revenue.

Public Act 147 of 2003: The bill provided for \$100 of Adjusted Gross and GF/GP appropriations. The appropriations represented part of a State of Michigan settlement with the Federal government regarding a Federal audit. The remaining portions of this settlement were funded through legislative transfers into this line-item appropriation.

Public Act 158 of 2003: The bill provided for a \$28.3 million reduction in Adjusted Gross appropriations and a \$51.0 million GF/GP appropriation increase. The bill contained a funding shift for State School Aid payments. A reduction in estimated restricted School Aid Fund revenue was partially offset by an increased GF/GP grant. The bill also funded shortfalls in the school breakfast, school lunch, and renaissance zone tax reimbursement programs.

Public Act 172 of 2003: The bill provided for \$16.1 million of Adjusted Gross appropriations and zero GF/GP appropriations. The bill appropriated Federal funds in the Family Independence Agency budget for several programs. The funds were available because of a refund of child support enforcement penalties paid by the State to the Federal government.

Public Act 173 of 2003: The bill provided for \$458.2 million of Adjusted Gross appropriations and a \$13.3 million reduction in GF/GP appropriations. The bill included funding for Natural Resources Trust Fund projects, airport improvement funding, significant funding in the State Medicaid program to cover projected funding shortfalls, additional funding for the child support enforcement technology program, and a variety of other appropriations of Federal funds.

Public Act 237 of 2003: The bill provided for \$89.8 million of Adjusted Gross appropriations and zero GF/GP appropriations. The bill included funding for shortfalls in the State Medicaid program and a funding increase in the Michigan Merit Award program to cover actual expenses.

EXECUTIVE ORDER REDUCTION

During FY 2002-03 both Governor Engler and Governor Granholm submitted to the Legislature Executive Orders to reduce previously enacted appropriations. These Executive Orders were part of an overall plan to balance estimated revenues with enacted appropriations. Executive Order 2002-22 was submitted by Governor Engler to the Legislature on December 5, 2002, and Executive Order 2003-3 was submitted by Governor Granholm to the Legislature on February 19, 2003. The House and Senate Appropriations Committees approved both Executive Orders as submitted by the Governor.

Executive Order 2002-22 reduced FY 2002-03 Adjusted Gross appropriations by \$355.3 million and GF/GP appropriations by \$226.1 million. The largest GF/GP appropriation reductions contained in this Executive Order included \$83.0 million in Community Health, \$53.3 million in Community Colleges and Higher Education, and \$40.0 million in debt service payments. This Executive Order also reduced State revenue sharing payments to cities, villages, townships, and counties by \$63.0 million.

Executive Order 2003-3 reduced FY 2003-03 Adjusted Gross appropriations by \$157.0 million and GF/GP appropriations by \$125.5 million. The largest GF/GP appropriation reductions contained in this Executive Order included \$30.3 million in Community Colleges and Higher Education, \$26.9 million in Family Independence Agency programs, and \$14.7 million in Capital Outlay programs.

SCHOOL AID PRO-RATA REDUCTIONS

Pursuant to provisions of the State School Aid Act, Governor Granholm on January 15, 2003, notified the Legislature that a pro-rata reduction in State School Aid payments to local school districts and public school academies would be implemented. This pro-rata reduction reduced FY 2002-03 School Aid Fund appropriations by \$127.0 million. The \$127.0 million pro-rata reduction equated to a \$74 per pupil reduction in the total amount of State aid paid to each school district. The pro-rata reduction is designed to eliminate a projected imbalance in the School Aid Fund between estimated revenues and enacted appropriations. The pro-rata reduction will take effect 30 days after the Governor notified the Legislature of the reduction, unless the Legislature takes other actions to balance the School Aid Fund budget.

CONTINGENCY FUND TRANSFER APPROPRIATIONS

The House and Senate Appropriations Committees approved \$189.7 million of Adjusted Gross contingency fund transfer appropriations throughout the fiscal year. Contingency fund transfer appropriations are the appropriation of unanticipated Federal, State Restricted, or private and local funds that the State realizes after the initial appropriation bills are enacted. The process for these appropriations begins with boilerplate language in each departmental appropriation bill that allows the receipt of Federal, State Restricted, and local and private funds above the amounts specified in the line-item appropriations for that department. When unanticipated funds arrive in the State they are deposited into these contingency funds and then transferred into the proper appropriation line item by use of the legislative transfer process. The process requires the House and Senate Appropriations Committees to approve these transfers in identical amounts before they take effect. The department with the largest level of FY 2002-03 contingency fund transfers was Community Health with \$121.9 million.

REVENUE SHARING ADJUSTMENTS

State revenue sharing payments to cities, villages, townships, and counties are appropriated based on consensus revenue estimates of sales tax collections. To the extent that actual sales tax collections are lower than the consensus estimate upon which the revenue sharing appropriation was based, an automatic reduction in this appropriation takes place. During FY 2002-03, revenue sharing payments were reduced by \$19.1 million due to this sales tax revenue reduction.

YEAR-END BALANCE ESTIMATES

Table 11 provides a summary of the final FY 2002-03 GF/GP budget after a final accounting of revenues and expenditures was completed. The GF/GP budget closed the year with a \$174.0 million year-end balance. Pursuant to statutory requirements, this balance was carried forward into FY 2003-04.

Table 12 provides a summary of the final status of the FY 2002-03 School Aid Fund budget. The School Aid Fund closed the year with a \$113.7 million balance. Pursuant to statutory requirements, this balance was carried forward into FY 2003-04.

An index of FY 2002-03 appropriation acts by budget area is provided beginning on page 19.

Table 1

FY 2002-03 YEAR-END APPROPRIATIONS BY SOURCE OF FUNDS					
Department/Budget Area	Adjusted Gross	Federal Funds	Local & Private Funds	Other State Restricted	General Funds
Agriculture	\$91,777,800	\$14,990,700	\$1,127,600	\$38,885,800	\$36,773,700
Attorney General	51,585,483	8,822,700	1,183,000	9,216,400	32,363,383
Capital Outlay	602,185,900	192,092,000	43,532,000	77,395,000	289,166,900
Career Development	466,311,700	414,669,200	17,408,200	7,661,500	26,572,800
Civil Rights	13,972,600	1,282,700	0	0	12,689,900
Civil Service	25,096,096	4,820,660	1,576,692	9,413,044	9,285,700
Community Colleges	310,885,794	0	0	3,373,682	307,512,112
Community Health	9,915,767,112	5,519,029,900	1,137,337,200	877,369,600	2,382,030,412
Consumer and Industry Services	586,769,264	279,611,500	770,000	273,487,300	32,900,464
Corrections	1,683,738,331	27,793,400	391,100	55,750,600	1,599,803,231
Education	215,154,016	166,260,200	5,445,600	14,430,000	29,018,216
Environmental Quality (Operations)	395,093,561	133,445,500	435,700	194,559,100	66,653,261
Environmental Quality (CMI Bond)	0	0	0	0	0
Executive	5,021,500	0	0	0	5,021,500
Family Independence Agency	4,146,370,800	2,869,981,450	76,813,550	84,490,700	1,115,085,100
Higher Education	1,844,901,735	5,500,000	0	97,934,802	1,741,466,933
History, Arts, and Libraries	69,252,536	8,322,600	577,400	1,900,900	58,451,636
Judiciary	238,820,300	3,911,000	3,782,500	57,507,700	173,619,100
Legislature	121,813,900	0	400,000	2,530,400	118,883,500
Management & Budget	76,679,811	358,600	0	37,073,900	39,247,311
Military and Veteran Affairs	105,723,808	43,018,800	530,000	23,796,700	38,378,308
Natural Resources (Operations)	263,583,947	36,096,800	1,793,700	182,568,900	43,124,547
Natural Resources (CMI Bond)	0	0	0	0	0
Natural Resources Trust Fund	32,083,800	0	0	32,083,800	0
School Aid	12,555,076,800	1,219,825,200	700,000	11,085,138,100	249,413,500
State	146,734,961	63,319,500	100	65,274,200	18,141,161
State Police	460,457,548	117,210,500	4,505,700	61,351,900	277,389,448
Strategic Fund Agency	148,982,500	62,953,300	853,100	32,550,000	52,626,100
Transportation	3,113,421,400	987,966,100	5,800,000	2,119,655,300	0
Treasury (Debt Service)	59,586,400	0	0	40,000,000	19,586,400
Treasury (Operations)	354,894,897	45,422,900	910,800	252,837,600	55,723,597
Treasury (Revenue Sharing)	1,451,378,000	0	0	1,451,378,000	0
TOTAL APPROPRIATIONS	\$39,553,122,300	\$12,226,705,210	\$1,305,873,942	\$17,189,614,928	\$8,830,928,220

Table 2

FY 2002-03 YEAR-END APPROPRIATIONS ADJUSTED GROSS					
Department/Budget Area	FY 2002-03 Initial Appropriations	FY 2002-03 Total Supplemental Appropriations	FY 2002-03 Executive Orders	Contingency Fund Transfers/ Revenue Adjustments	Year-End FY 2002-03 Appropriations
Agriculture	\$ 84,777,000	\$ 7,250,000	\$ (2,303,800)	\$ 2,054,600	\$ 91,777,800
Attorney General	51,839,700	0	(1,404,217)	1,150,000	51,585,483
Capital Outlay	573,096,900	44,232,000	(15,143,000)	0	602,185,900
Career Development	461,321,600	0	(3,209,900)	8,200,000	466,311,700
Civil Rights	14,367,700	0	(743,800)	348,700	13,972,600
Civil Service	26,285,200	0	(731,200)	(457,904)	25,096,096
Community Colleges	321,732,319	3,234,883	(14,081,408)	0	310,885,794
Community Health	9,328,341,800	587,850,600	(122,350,388)	121,925,100	9,915,767,112
Consumer and Industry Services	555,190,400	37,700,000	(6,786,336)	665,200	586,769,264
Corrections	1,702,552,100	0	(20,463,769)	1,650,000	1,683,738,331
Education	214,490,700	1,500,000	(1,503,484)	666,800	215,154,016
Environmental Quality (Operations)	391,246,700	4,400,100	(5,779,339)	5,226,100	395,093,561
Environmental Quality (CMI Bond)	0	0	0	0	0
Executive	5,399,500	0	(378,000)	0	5,021,500
Family Independence Agency	4,073,511,700	76,906,700	(50,493,900)	46,446,300	4,146,370,800
Higher Education	1,943,345,166	22,460,952	(120,904,383)	0	1,844,901,735
History, Arts, and Libraries	71,486,200	365,400	(2,783,464)	184,400	69,252,536
Judiciary	242,162,300	(3,382,000)	0	40,000	238,820,300
Legislature	124,732,600	(2,918,700)	0	0	121,813,900
Management & Budget	79,750,200	0	(4,788,989)	1,718,600	76,679,811
Military and Veteran Affairs	103,164,700	236,000	(1,940,292)	4,263,400	105,723,808
Natural Resources (Operations)	252,384,100	10,269,600	(2,199,853)	3,130,100	263,583,947
Natural Resources (Trust Fund)	0	32,083,800	0	0	32,083,800
School Aid	12,710,380,100	(28,303,300)	(127,000,000)	0	12,555,076,800
State	83,562,800	64,265,000	(1,092,839)	0	146,734,961
State Police	396,349,400	70,352,000	(9,658,852)	3,415,000	460,457,548
Strategic Fund Agency	153,555,600	12,200,000	(16,773,100)	0	148,982,500
Transportation	3,091,900,500	14,690,900	0	6,830,000	3,113,421,400
Treasury (Debt Service)	59,586,400	40,000,000	(40,000,000)	0	59,586,400
Treasury (Operations)	349,035,200	8,200,600	(3,720,203)	1,379,300	354,894,897
Treasury (Revenue Sharing)	1,533,500,000	0	(63,000,000)	(19,122,000)	1,451,378,000
TOTAL APPROPRIATIONS	\$38,999,048,585	\$1,003,594,535	\$(639,234,516)	\$189,713,696	\$39,553,122,300

Table 3

FY 2002-03 SUPPLEMENTAL APPROPRIATIONS SUMMARY ADJUSTED GROSS					
Department/Budget Area	Public Act 746 of 2002	Public Act 39 of 2003	Public Act 144 of 2003	Public Act 146 of 2003	Public Act 147 of 2003
Agriculture	\$ 0	\$ 7,250,000	\$ 0	\$ 0	\$ 0
Attorney General	0	0	0	0	0
Capital Outlay	24,500,000	12,000,000	0	0	0
Career Development	0	0	0	0	0
Civil Rights	0	0	0	0	0
Civil Service	0	0	0	0	0
Community Colleges	2,157,183	0	0	1,077,700	0
Community Health	2,985,100	228,173,200	0	0	0
Consumer and Industry Services	0	0	0	0	0
Corrections	0	0	0	0	0
Education	1,500,000	0	0	0	0
Environmental Quality (Operations)	1,900,000	0	0	0	0
Environmental Quality (CMI Bond)	0	0	0	0	0
Executive	0	0	0	0	0
Family Independence Agency	0	8,400,000	0	0	0
Higher Education	9,060,952	0	7,000,000	0	0
History, Arts, and Libraries	338,500	26,900	0	0	0
Judiciary	(2,278,300)	(1,103,700)	0	0	0
Legislature	(1,075,500)	(1,843,200)	0	0	0
Management & Budget	0	0	0	0	0
Military and Veteran Affairs	186,000	50,000	0	0	0
Natural Resources (Operations)	0	2,000,000	0	0	100
Natural Resources (Trust Fund)	23,103,400	0	0	0	0
School Aid	0	0	0	0	0
State	0	16,700,000	0	0	0
State Police	0	58,082,000	0	0	0
Strategic Fund Agency	0	0	0	0	0
Transportation	1,690,900	18,000,000	0	0	0
Treasury (Debt Service)	40,000,000	0	0	0	0
Treasury (Operations)	7,849,400	0	0	0	0
Treasury (Revenue Sharing)	0	0	0	0	0
TOTAL APPROPRIATIONS	\$111,917,635	\$347,735,200	\$7,000,000	\$1,077,700	\$100

Table 3 (continued)

FY 2002-03 SUPPLEMENTAL APPROPRIATIONS SUMMARY ADJUSTED GROSS					
Department/Budget Area	Public Act 158 of 2003	Public Act 172 of 2003	Public Act 173 of 2003	Public Act 237 of 2003	FY 2002-03 Total Appropriations
Agriculture	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,250,000
Attorney General	0	0	0	0	0
Capital Outlay	0	0	7,732,000	0	44,232,000
Career Development	0	0	0	0	0
Civil Rights	0	0	0	0	0
Civil Service	0	0	0	0	0
Community Colleges	0	0	0	0	3,234,883
Community Health	0	0	269,835,300	86,857,000	587,850,600
Consumer and Industry Services	0	0	37,700,000	0	37,700,000
Corrections	0	0	0	0	0
Education	0	0	0	0	1,500,000
Environmental Quality (Operations)	0	0	0	0	0
Environmental Quality (CMI Bond)	0	0	0	0	0
Executive	0	0	0	0	0
Family Independence Agency	0	16,085,700	52,421,000	0	76,906,700
Higher Education	0	0	3,400,000	3,000,000	22,460,952
History, Arts, and Libraries	0	0	0	0	365,400
Judiciary	0	0	0	0	(3,382,000)
Legislature	0	0	0	0	(2,918,700)
Management & Budget	0	0	0	0	0
Military and Veteran Affairs	0	0	0	0	236,000
Natural Resources (Operations)	0	0	8,269,500	0	10,269,600
Natural Resources (Trust Fund)	0	0	8,980,400	0	32,083,800
School Aid	(28,303,300)	0	0	0	(28,303,300)
State	0	0	47,565,000	0	64,265,000
State Police	0	0	12,270,000	0	70,352,000
Strategic Fund Agency	0	0	12,200,000	0	12,200,000
Transportation	0	0	(5,000,000)	0	14,690,900
Treasury (Debt Service)	0	0	0	0	40,000,000
Treasury (Operations)	0	0	351,200	0	8,200,600
Treasury (Revenue Sharing)	0	0	0	0	0
TOTAL APPROPRIATIONS	\$(28,303,300)	\$16,085,700	\$458,224,500	\$89,857,000	\$1,003,594,535

Table 4

FY 2002-03 EXECUTIVE ORDER APPROPRIATIONS SUMMARY ADJUSTED GROSS				
Department/Budget Area	FY 2002-03 Executive Order 2002-22	FY 2002-03 Executive Order 2003-3	FY 2002-03 School Aid Proration	FY 2002-03 Total Executive Order Appropriations
Agriculture	\$ (976,900)	\$ (1,326,900)	\$ 0	\$ (2,303,800)
Attorney General	(844,200)	(560,017)	0	(1,404,217)
Capital Outlay	(427,700)	(14,715,300)	0	(15,143,000)
Career Development	(694,600)	(2,515,300)	0	(3,209,900)
Civil Rights	(335,800)	(408,000)	0	(743,800)
Civil Service	(250,400)	(480,800)	0	(731,200)
Community Colleges	(7,993,308)	(6,088,100)	0	(14,081,408)
Community Health	(105,393,100)	(16,957,288)	0	(122,350,388)
Consumer and Industry Services	(4,609,900)	(2,176,436)	0	(6,786,336)
Corrections	(12,602,500)	(7,861,269)	0	(20,463,769)
Education	(419,300)	(1,084,184)	0	(1,503,484)
Environmental Quality (Operations)	(2,210,800)	(3,568,539)	0	(5,779,339)
Environmental Quality (CMI Bond)	0	0	0	0
Executive	(125,500)	(252,500)	0	(378,000)
Family Independence Agency	(8,031,000)	(42,462,900)	0	(50,493,900)
Higher Education	(95,306,783)	(25,597,600)	0	(120,904,383)
History, Arts, and Libraries	(1,522,400)	(1,261,064)	0	(2,783,464)
Judiciary	0	0	0	0
Legislature	0	0	0	0
Management & Budget	(1,100,900)	(3,688,089)	0	(4,788,989)
Military and Veteran Affairs	(400,800)	(1,539,492)	0	(1,940,292)
Natural Resources (Operations)	0	(2,199,853)	0	(2,199,853)
Natural Resources (Trust Fund)	00	00		
School Aid	0	0	(127,000,000)	(127,000,000)
State	(424,200)	(668,639)	0	(1,092,839)
State Police	(4,305,700)	(5,353,152)	0	(9,658,852)
Strategic Fund Agency	(3,000,000)	(13,773,100)	0	(16,773,100)
Transportation	0	0	0	0
Treasury (Debt Service)	(40,000,000)	0	0	(40,000,000)
Treasury (Operations)	(1,289,900)	(2,430,303)	0	(3,720,203)
Treasury (Revenue Sharing)	(63,000,000)	0	0	(63,000,000)
TOTAL APPROPRIATIONS	\$(355,265,691)	\$(156,968,825)	\$(127,000,000)	\$(639,234,516)

Table 5

FY 2002-03 YEAR-END APPROPRIATIONS TOTAL STATE SPENDING					
Department/Budget Area	FY 2002-03 Initial Appropriations	FY 2002-03 Total Supplemental Appropriations	FY 2002-03 Executive Orders	Contingency Fund Transfers/ Revenue Adjustments	Year-End FY 2002-03 Appropriations
Agriculture	\$ 77,009,900	\$ 0	\$ (2,303,800)	\$ 953,400	\$ 75,659,500
Attorney General	42,984,000	0	(1,404,217)	0	41,579,783
Capital Outlay	362,554,900	19,150,000	(15,143,000)	0	366,561,900
Career Development	37,444,200	0	(3,209,900)	0	34,234,300
Civil Rights	13,433,700	0	(743,800)	0	12,689,900
Civil Service	19,656,100	0	(731,200)	(226,156)	18,698,744
Community Colleges	321,732,319	3,234,883	(14,081,408)	0	310,885,794
Community Health	3,315,020,400	24,368,100	(99,988,488)	20,000,000	3,259,400,012
Consumer and Industry Services	312,508,900	0	(6,786,336)	665,200	306,387,764
Corrections	1,675,757,600	0	(20,463,769)	260,000	1,655,553,831
Education	43,351,000	1,500,000	(1,503,484)	100,700	43,448,216
Environmental Quality (Operations)	259,289,600	4,400,100	(5,779,339)	3,302,000	261,212,361
Environmental Quality (CMI Bond)	0	0	0	0	0
Executive	5,399,500	0	(378,000)	0	5,021,500
Family Independence Agency	1,242,380,100	(12,879,800)	(34,906,200)	4,981,700	1,199,575,800
Higher Education	1,937,845,166	22,460,952	(120,904,383)	0	1,839,401,735
History, Arts, and Libraries	62,797,500	338,500	(2,783,464)	0	60,352,536
Judiciary	234,477,000	(3,380,200)	0	30,000	231,126,800
Legislature	124,332,600	(2,918,700)	0	0	121,413,900
Management & Budget	79,391,600	0	(4,788,989)	1,718,600	76,321,211
Military and Veteran Affairs	63,520,200	236,000	(1,940,292)	359,100	62,175,008
Natural Resources (Operations)	220,163,100	5,500,100	(2,199,853)	2,230,100	225,693,447
Natural Resources (Trust Fund)	0	32,083,800	0	0	32,083,800
School Aid	11,489,854,900	(28,303,300)	(127,000,000)	0	11,334,551,600
State	82,243,200	2,265,000	(1,092,839)	0	83,415,361
State Police	346,865,200	0	(9,658,852)	1,535,000	338,741,348
Strategic Fund Agency	89,749,200	12,200,000	(16,773,100)	0	85,176,100
Transportation	2,122,964,400	(3,309,100)	0	0	2,119,655,300
Treasury (Debt Service)	59,586,400	40,000,000	(40,000,000)	0	59,586,400
Treasury (Operations)	303,828,300	7,849,400	(3,720,203)	603,700	308,561,197
Treasury (Revenue Sharing)	1,533,500,000	0	(63,000,000)	(19,122,000)	1,451,378,000
TOTAL APPROPRIATIONS	\$26,479,640,985	\$124,795,735	\$(601,284,916)	\$17,391,344	\$26,020,543,148

Table 6

FY 2002-03 SUPPLEMENTAL APPROPRIATIONS SUMMARY					
TOTAL STATE SPENDING					
Department/Budget Area	Public Act 746 of 2002	Public Act 39 of 2003	Public Act 144 of 2003	Public Act 146 of 2003	Public Act 147 of 2003
Agriculture	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Attorney General	0	0	0	0	0
Capital Outlay	2,150,000	12,000,000	0	0	0
Career Development	0	0	0	0	0
Civil Rights	0	0	0	0	0
Civil Service	0	0	0	0	0
Community Colleges	2,157,183	0	0	1,077,700	0
Community Health	6,100,000	(4,900,000)	0	0	0
Consumer and Industry Services	0	0	0	0	0
Corrections	0	0	0	0	0
Education	1,500,000	0	0	0	0
Environmental Quality (Operations)	1,900,000	0	0	0	0
Environmental Quality (CMI Bond)	0	0	0	0	0
Executive	0	0	0	0	0
Family Independence Agency	(27,000,000)	0	0	0	0
Higher Education	9,060,952	0	7,000,000	0	0
History, Arts, and Libraries	338,500	0	0	0	0
Judiciary	(2,278,300)	(1,101,900)	0	0	0
Legislature	(1,075,500)	(1,843,200)	0	0	0
Management & Budget	0	0	0	0	0
Military and Veteran Affairs	186,000	50,000	0	0	0
Natural Resources (Operations)	0	0	0	0	100
Natural Resources (Trust Fund)	23,103,400	0	0	0	0
School Aid	0	0	0	0	0
State	0	0	0	0	0
State Police	0	0	0	0	0
Strategic Fund Agency	0	0	0	0	0
Transportation	1,690,900	0	0	0	0
Treasury (Debt Service)	40,000,000	0	0	0	0
Treasury (Operations)	7,849,400	0	0	0	0
Treasury (Revenue Sharing)	0	0	0	0	0
TOTAL APPROPRIATIONS	\$ 65,682,535	\$ 4,204,900	\$ 7,000,000	\$ 1,077,700	\$ 100

Table 6 (continued)

FY 2002-03 SUPPLEMENTAL APPROPRIATIONS SUMMARY TOTAL STATE SPENDING					
Department/Budget Area	Public Act 158 of 2003	Public Act 172 of 2003	Public Act 173 of 2003	Public Act 237 of 2003	FY 2002-03 Total Supplemental Appropriations
Agriculture	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Attorney General	0	0	0	0	0
Capital Outlay	0	0	5,000,000	0	19,150,000
Career Development	0	0	0	0	0
Civil Rights	0	0	0	0	0
Civil Service	0	0	0	0	0
Community Colleges	0	0	0	0	3,234,883
Community Health	0	0	(29,280,000)	52,448,100	24,368,100
Consumer and Industry Services	0	0	0	0	0
Corrections	0	0	0	0	0
Education	0	0	0	0	1,500,000
Environmental Quality (Operations)	0	0	0	0	0
Environmental Quality (CMI Bond)	0	0	0	0	0
Executive	0	0	0	0	0
Family Independence Agency	0	0	14,120,200	0	(12,879,800)
Higher Education	0	0	3,400,000	3,000,000	22,460,952
History, Arts, and Libraries	0	0	0	0	338,500
Judiciary	0	0	0	0	(3,380,200)
Legislature	0	0	0	0	(2,918,700)
Management & Budget	0	0	0	0	0
Military and Veteran Affairs	0	0	0	0	236,000
Natural Resources (Operations)	0	0	5,500,000	0	5,500,100
Natural Resources (Trust Fund)	0	0	8,980,400	0	32,083,800
School Aid	(28,303,300)	0	0	0	(28,303,300)
State	0	0	2,265,000	0	2,265,000
State Police	0	0	0	0	0
Strategic Fund Agency	0	0	12,200,000	0	12,200,000
Transportation	0	0	(5,000,000)	0	(3,309,100)
Treasury (Debt Service)	0	0	0	0	40,000,000
Treasury (Operations)	0	0	0	0	7,849,400
Treasury (Revenue Sharing)	0	0	0	0	0
TOTAL APPROPRIATIONS	\$(28,303,300)	\$ 0	\$19,685,700	\$55,448,100	\$124,795,735

Table 7

FY 2002-03 EXECUTIVE ORDER APPROPRIATIONS SUMMARY				
TOTAL STATE SPENDING				
Department/Budget Area	FY 2002-03 Executive Order 2002-22	FY 2002-03 Executive Order 2003-3	FY 2002-03 School Aid Proration	FY 2002-03 Total Executive Order Appropriations
Agriculture	\$(976,900)	\$(1,326,900)	\$ 0	\$(2,303,800)
Attorney General	(844,200)	(560,017)	0	(1,404,217)
Capital Outlay	(427,700)	(14,715,300)	0	(15,143,000)
Career Development	(694,600)	(2,515,300)	0	(3,209,900)
Civil Rights	(335,800)	(408,000)	0	(743,800)
Civil Service	(250,400)	(480,800)	0	(731,200)
Community Colleges	(7,993,308)	(6,088,100)	0	(14,081,408)
Community Health	(83,031,200)	(16,957,288)	0	(99,988,488)
Consumer and Industry Services	(4,609,900)	(2,176,436)	0	(6,786,336)
Corrections	(12,602,500)	(7,861,269)	0	(20,463,769)
Education	(419,300)	(1,084,184)	0	(1,503,484)
Environmental Quality (Operations)	(2,210,800)	(3,568,539)	0	(5,779,339)
Environmental Quality (CMI Bond)	0	0	0	0
Executive	(125,500)	(252,500)	0	(378,000)
Family Independence Agency	(8,031,000)	(26,875,200)	0	(34,906,200)
Higher Education	(95,306,783)	(25,597,600)	0	(120,904,383)
History, Arts, and Libraries	(1,522,400)	(1,261,064)	0	(2,783,464)
Judiciary	0	0	0	0
Legislature	0	0	0	0
Management & Budget	(1,100,900)	(3,688,089)	0	(4,788,989)
Military and Veteran Affairs	(400,800)	(1,539,492)	0	(1,940,292)
Natural Resources (Operations)	0	(2,199,853)	0	(2,199,853)
Natural Resources (Trust Fund)	0	0	0	0
School Aid	0	0	(127,000,000)	(127,000,000)
State	(424,200)	(668,639)	0	(1,092,839)
State Police	(4,305,700)	(5,353,152)	0	(9,658,852)
Strategic Fund Agency	(3,000,000)	(13,773,100)	0	(16,773,100)
Transportation	0	0	0	0
Treasury (Debt Service)	(40,000,000)	0	0	(40,000,000)
Treasury (Operations)	(1,289,900)	(2,430,303)	0	(3,720,203)
Treasury (Revenue Sharing)	(63,000,000)	0	0	(63,000,000)
TOTAL APPROPRIATIONS	\$(332,903,791)	\$(141,381,125)	\$(127,000,000)	\$(601,284,916)

Table 8

FY 2002-03 YEAR-END APPROPRIATIONS GENERAL FUND/GENERAL PURPOSE					
Department/Budget Area	FY 2002-03 Initial Appropriations	FY 2002-03 Total Supplemental Appropriations	FY 2002-03 Executive Orders	Contingency Fund Transfers/ Revenue Adjustments	Year-End FY 2002-03 Appropriations
Agriculture	\$ 39,077,500	\$ 0	\$ (2,303,800)	\$ 0	\$ 36,773,700
Attorney General	33,767,600	0	(1,404,217)	0	32,363,383
Capital Outlay	304,309,900	0	(15,143,000)	0	289,166,900
Career Development	27,782,700	0	(1,209,900)	0	26,572,800
Civil Rights	13,433,700	0	(743,800)	0	12,689,900
Civil Service	10,016,900	0	(731,200)	0	9,285,700
Community Colleges	319,732,319	561,201	(12,781,408)	0	307,512,112
Community Health	2,540,198,900	(58,180,000)	(99,988,488)	0	2,382,030,412
Consumer and Industry Services	35,976,300	0	(3,075,836)	0	32,900,464
Corrections	1,620,267,000	0	(20,463,769)	0	1,599,803,231
Education	29,021,700	1,500,000	(1,503,484)	0	29,018,216
Environmental Quality (Operations)	72,432,500	100	(5,779,339)	0	66,653,261
Environmental Quality (CMI Bond)	0	0	0	0	0
Executive	5,399,500	0	(378,000)	0	5,021,500
Family Independence Agency	1,176,991,300	(27,000,000)	(34,906,200)	0	1,115,085,100
Higher Education	1,812,271,316	0	(70,804,383)	0	1,741,466,933
History, Arts, and Libraries	60,896,600	338,500	(2,783,464)	0	58,451,636
Judiciary	176,999,300	(3,380,200)	0	0	173,619,100
Legislature	121,802,200	(2,918,700)	0	0	118,883,500
Management & Budget	44,036,300	0	(4,788,989)	0	39,247,311
Military and Veteran Affairs	40,082,600	236,000	(1,940,292)	0	38,378,308
Natural Resources (Operations)	43,824,300	1,500,100	(2,199,853)	0	43,124,547
Natural Resources (Trust Fund)	0	0	0	0	0
School Aid	198,413,500	51,000,000	0	0	249,413,500
State	16,969,000	2,265,000	(1,092,839)	0	18,141,161
State Police	287,048,300	0	(9,658,852)	0	277,389,448
Strategic Fund Agency	44,699,200	12,200,000	(4,273,100)	0	52,626,100
Transportation	0	0	0	0	0
Treasury (Debt Service)	59,586,400	0	(40,000,000)	0	19,586,400
Treasury (Operations)	51,594,400	7,849,400	(3,720,203)	0	55,723,597
Treasury (Revenue Sharing)	9,900,000	0	(9,900,000)	0	0
TOTAL APPROPRIATIONS	\$9,196,531,235	\$(14,028,599)	\$(351,574,416)	\$ 0	\$8,830,928,220

Table 9

FY 2002-03 SUPPLEMENTAL APPROPRIATIONS SUMMARY GENERAL FUND/GENERAL PURPOSE					
Department/Budget Area	Public Act 746 of 2002	Public Act 39 of 2003	Public Act 144 of 2003	Public Act 146 of 2003	Public Act 147 of 2003
Agriculture	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Attorney General	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Career Development	0	0	0	0	0
Civil Rights	0	0	0	0	0
Civil Service	0	0	0	0	0
Community Colleges	561,201	0	0	0	0
Community Health	(24,000,000)	(4,900,000)	0	0	0
Consumer and Industry Services	0	0	0	0	0
Corrections	0	0	0	0	0
Education	1,500,000	0	0	0	0
Environmental Quality (Operations)	0	0	0	0	0
Environmental Quality (CMI Bond)	0	0	0	0	0
Executive	0	0	0	0	0
Family Independence Agency	(27,000,000)	0	0	0	0
Higher Education	0	0	0	0	0
History, Arts, and Libraries	338,500	0	0	0	0
Judiciary	(2,278,300)	(1,101,900)	0	0	0
Legislature	(1,075,500)	(1,843,200)	0	0	0
Management & Budget	0	0	0	0	0
Military and Veteran Affairs	186,000	50,000	0	0	0
Natural Resources (Operations)	0	0	0	0	100
Natural Resources (Trust Fund)	0	0	0	0	0
School Aid	0	0	0	0	0
State	0	0	0	0	0
State Police	0	0	0	0	0
Strategic Fund Agency	0	0	0	0	0
Transportation	0	0	0	0	0
Treasury (Debt Service)	0	0	0	0	0
Treasury (Operations)	7,849,400	0	0	0	0
Treasury (Revenue Sharing)	0	0	0	0	0
TOTAL APPROPRIATIONS	\$(43,918,699)	\$(7,795,100)	\$ 0	\$ 0	\$100

Table 9 (continued)

FY 2002-03 SUPPLEMENTAL APPROPRIATIONS SUMMARY GENERAL FUND/GENERAL PURPOSE					
Department/Budget Area	Public Act 158 of 2003	Public Act 172 of 2003	Public Act 173 of 2003	Public Act 237 of 2003	FY 2002-03 Total Supplemental Appropriations
Agriculture	\$ 0	\$ 0	\$ 0	0	\$ 0
Attorney General	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Career Development	0	0	0	0	0
Civil Rights	0	0	0	0	0
Civil Service	0	0	0	0	0
Community Colleges	0	0	0	0	561,201
Community Health	0	0	(29,280,000)	0	(58,180,000)
Consumer and Industry Services	0	0	0	0	0
Corrections	0	0	0	0	0
Education	0	0	0	0	1,500,000
Environmental Quality (Operations)					
Environmental Quality (CMI Bond)	0	0	0	0	0
Executive	0	0	0	0	0
Family Independence Agency	0	0	0	0	(27,000,000)
Higher Education	0	0	0	0	0
History, Arts, and Libraries	0	0	0	0	338,500
Judiciary	0	0	0	0	(3,380,200)
Legislature	0	0	0	0	(2,918,700)
Management & Budget	0	0	0	0	0
Military and Veteran Affairs	0	0	0	0	236,000
Natural Resources (Operations)	0	0	1,500,000	0	1,500,100
Natural Resources (Trust Fund)	0	0	0	0	0
School Aid	51,000,000	0	0	0	51,000,000
State	0	0	2,265,000	0	2,265,000
State Police					
Strategic Fund Agency	0	0	12,200,000	0	12,200,000
Transportation	0	0	0	0	0
Treasury (Debt Service)	0	0	0	0	0
Treasury (Operations)	0	0	0	0	7,849,400
Treasury (Revenue Sharing)	0	0	0	0	0
TOTAL APPROPRIATIONS	\$51,000,000	\$ 0	\$(13,314,900)	\$ 0	\$(14,028,599)

Table 10

FY 2002-03 EXECUTIVE ORDER APPROPRIATIONS SUMMARY GENERAL FUND/GENERAL PURPOSE				
Department/Budget Area	FY 2002-03 Executive Order 2002-22	FY 2002-03 Executive Order 2003-3	FY 2002-03 School Aid Proration	FY 2002-03 Total Executive Order Appropriations
Agriculture	\$ (976,900)	\$ (1,326,900)	\$ 0	\$ (2,303,800)
Attorney General	(844,200)	(560,017)	0	(1,404,217)
Capital Outlay	(427,700)	(14,715,300)	0	(15,143,000)
Career Development	(694,600)	(515,300)	0	(1,209,900)
Civil Rights	(335,800)	(408,000)	0	(743,800)
Civil Service	(250,400)	(480,800)	0	(731,200)
Community Colleges	(7,993,308)	(4,788,100)	0	(12,781,408)
Community Health	(83,031,200)	(16,957,288)	0	(99,988,488)
Consumer and Industry Services	(899,400)	(2,176,436)	0	(3,075,836)
Corrections	(12,602,500)	(7,861,269)	0	(20,463,769)
Education	(419,300)	(1,084,184)	0	(1,503,484)
Environmental Quality (Operations)	(2,210,800)	(3,568,539)	0	(5,779,339)
Environmental Quality (CMI Bond)	0	0	0	0
Executive	(125,500)	(252,500)	0	(378,000)
Family Independence Agency	(8,031,000)	(26,875,200)	0	(34,906,200)
Higher Education	(45,306,783)	(25,497,600)	0	(70,804,383)
History, Arts, and Libraries	(1,522,400)	(1,261,064)	0	(2,783,464)
Judiciary	0	0	0	0
Legislature	0	0	0	0
Management & Budget	(1,100,900)	(3,688,089)	0	(4,788,989)
Military and Veteran Affairs	(400,800)	(1,539,492)	0	(1,940,292)
Natural Resources (Operations)	0	(2,199,853)	0	(2,199,853)
Natural Resources (Trust Fund)	0	0	0	0
School Aid	0	0	0	0
State	(424,200)	(668,639)	0	(1,092,839)
State Police	(4,305,700)	(5,353,152)	0	(9,658,852)
Strategic Fund Agency	(3,000,000)	(1,273,100)	0	(4,273,100)
Transportation	0	0	0	0
Treasury (Debt Service)	(40,000,000)	0	0	(40,000,000)
Treasury (Operations)	(1,289,900)	(2,430,303)	0	(3,720,203)
Treasury (Revenue Sharing)	(9,900,000)	0	0	(9,900,000)
TOTAL APPROPRIATIONS	\$(226,093,291)	\$(125,481,125)	\$ 0	\$(351,574,416)

Table 11
FY 2002-03
General Fund/General Purpose
Revenues, Expenditures and Year-End Balance
(millions of dollars)

	Final Bookclosing
Revenue:	
Beginning Balance	\$ 114.5
Ongoing Revenue Estimate	7,927.7
<u>Other Revenue Adjustments:</u>	
Merit Award Trust Fund Transfer	151.3
Tobacco Settlement Trust Fund Transfer	14.6
Revenue Sharing Reductions	146.2
Liquor Purchase Revolving Fund-Fire Protection Grant Reduction	3.7
Transfer of Waterways Fund to General Fund (PA 746 of 2002)	7.8
Transfer of Pre-Funded Health Reserve to General Fund (PA 743 of 2002) .	58.2
Hospital Assessment Revenue (PA 562 of 2002)	8.9
Investor Lawsuit Settlement	13.5
Vitamin Lawsuit Settlement	10.6
Tobacco Company Lawsuit Settlement	7.6
Revenue Sharing Reserve Account	181.0
Unrestricted Federal Aid	169.0
Budget Stabilization Fund Withdrawal (PA 504 of 2002)	124.1
Total Other Revenue Adjustments	896.5
Total Estimated Revenue	\$8,938.7
Expenditures:	
Original Enacted Appropriations	\$9,196.7
<u>Supplemental Appropriations:</u>	
Capital Outlay (Public Acts 530 & 560 of 2002)	(0.2)
Supplemental Appropriations (PA 746 of 2002)	(43.9)
Supplemental Appropriations (PA 39 of 2003)	(7.8)
Supplemental Appropriations (PA 173 of 2003)	(13.3)
School Aid Supplemental (PA 158 of 2003)	51.0
Executive Order 2002-22, GF/GP Spending Cuts	(226.1)
Executive Order 2002-22, Work Project Lapses	(2.8)
Executive Order 2003-3	(125.5)
Bookclosing Adjustments	31.5
Projected Appropriation Lapses	(94.9)
Total Estimated Expenditures	\$8,764.7
Projected Year-End Balance	\$ 174.0

Table 12 FY 2002-03 School Aid Fund Revenues, Expenditures and Year-End Balance (millions of dollars)	
	Final Bookclosing
Revenue:	
Beginning Balance	\$ 237.0
Ongoing Revenue Estimate	10,715.0
Non-ongoing Revenue Adjustments:	
School Bond Loan Refinancing	130.6
Budget Stabilization Fund (Durant)	32.0
Total Non-ongoing Revenue Adjustments	162.6
Other Revenue Sources:	
General Fund/General Purpose Grant	198.4
General Fund/General Purpose Grant (PA 158 of 2003)	51.0
Local Revenue	0.7
Federal Aid	1,219.8
Total Other Revenue Sources	1,469.9
Total Estimated Revenue	\$12,584.5
Expenditures:	
Enacted Appropriations (PA 121 of 2001)	\$8,128.4
Supplemental Appropriations (PA 191 of 2002)	4,563.5
Supplemental Appropriations (PA 521 of 2002)	18.5
Supplemental Appropriations (PA 158 of 2003)	(28.3)
Pro-Rata Reduction (\$74 per pupil)	(127.0)
Bookclosing Adjustments	(21.6)
Projected Appropriation Lapses	(62.7)
Total Estimated Expenditures	\$12,470.8
Projected Year-End Balance	\$ 113.7

INDEX OF APPROPRIATIONS ACTS FY 2002-03		
BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
Agriculture		
Initial	House Bill 5642	Public Act 516 of 2002
Supplemental	Senate Bill 287	Public Act 560 of 2002
Supplemental	House Bill 4032	Public Act 39 of 2003
Attorney General		
Initial	House Bill 5646	Public Act 528 of 2002
Capital Outlay		
Initial	Senate Bill 1099	Public Act 518 of 2002
Supplemental	House Bill 4373	Public Act 530 pf 2002
Supplemental	Senate Bill 287	Public Act 560 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Supplemental	House Bill 4032	Public Act 39 of 2003
Supplemental	Senate Bill 540	Public Act 173 of 2003
Career Development		
Initial	House Bill 5643	Public Act 517 of 2002
Civil Rights		
Initial	House Bill 5646	Public Act 528 of 2002
Civil Service		
Initial	House Bill 5646	Public Act 528 of 2002
Community Colleges		
Initial	Senate Bill 1100	Public Act 161 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Supplemental	House Bill 4388	Public Act 146 of 2003
Community Health		
Initial	Senate Bill 1101	Public Act 519 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Supplemental	House Bill 4032	Public Act 39 of 2003
Supplemental	Senate Bill 540	Public Act 173 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003

INDEX OF APPROPRIATIONS ACTS FY 2002-03		
BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
Consumer and Industry Services		
Initial	House Bill 5644	Public Act 527 of 2002
Supplemental	Senate Bill 540	Public Act 173 of 2003
Corrections		
Initial	Senate Bill 1102	Public Act 524 of 2002
Education		
Initial	Senate Bill 1103	Public Act 522 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Environmental Quality		
Initial	Senate Bill 1104	Public Act 520 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Supplemental	Senate Bill 540	Public Act 173 of 2003
Executive		
Initial	House Bill 5646	Public Act 528 of 2002
Family Independence Agency		
Initial	House Bill 5645	Public Act 529 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Supplemental	House Bill 4032	Public Act 39 of 2003
Supplemental	Senate Bill 283	Public Act 172 of 2003
Supplemental	Senate Bill 540	Public Act 173 of 2003
Higher Education		
Initial	Senate Bill 1105	Public Act 144 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Supplemental	House Bill 4396	Public Act 144 of 2003
Supplemental	Senate Bill 540	Public Act 173 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
History, Arts, and Libraries		
Initial	House Bill 5647	Public Act 523 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Supplemental	House Bill 4032	Public Act 39 of 2003

INDEX OF APPROPRIATIONS ACTS FY 2002-03		
BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
Information Technology		
Initial	House Bill 5646	Public Act 528 of 2002
Supplemental	Senate Bill 540	Public Act 173 of 2003
Judiciary		
Initial	House Bill 5648	Public Act 515 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Supplemental	House Bill 4032	Public Act 39 of 2003
Legislature		
Initial	House Bill 5646	Public Act 528 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Supplemental	House Bill 4032	Public Act 39 of 2003
Management and Budget		
Initial	House Bill 5646	Public Act 528 of 2002
Military Affairs		
Initial	House Bill 5649	Public Act 514 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Supplemental	House Bill 4032	Public Act 39 of 2003
Natural Resources		
Initial	Senate Bill 1106	Public Act 525 of 2002
Supplemental	House Bill 4032	Public Act 39 of 2003
Supplemental	Senate Bill 540	Public Act 173 of 2003
Supplemental	House Bill 4400	Public Act 147 of 2003
Natural Resources Trust Fund		
Supplemental	House Bill 5705	Public Act 746 of 2002
Supplemental	Senate Bill 540	Public Act 173 of 2003
School Aid		
Initial	Senate Bill 1044	Public Act 297 of 2000
Supplemental	House Bill 4371	Public Act 121 of 2001
Supplemental	Senate Bill 1107	Public Act 191 of 2002
Supplemental	House Bill 5881	Public Act 521 of 2002
Supplemental	House Bill 4401	Public Act 158 of 2003

INDEX OF APPROPRIATIONS ACTS FY 2002-03		
BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
State		
Initial	House Bill 5646	Public Act 528 of 2002
Supplemental	House Bill 4032	Public Act 39 of 2003
Supplemental	Senate Bill 540	Public Act 173 of 2003
State Police		
Initial	House Bill 5650	Public Act 526 of 2002
Supplemental	House Bill 4032	Public Act 39 of 2003
Supplemental	Senate Bill 540	Public Act 173 of 2003
Strategic Fund		
Initial	House Bill 5643	Public Act 517 of 2002
Supplemental	Senate Bill 540	Public Act 173 of 2003
Transportation		
Initial	House Bill 5651	Public Act 561 of 2002
Supplemental	Senate Bill 287	Public Act 560 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Supplemental	House Bill 4032	Public Act 39 of 2003
Supplemental	Senate Bill 540	Public Act 173 of 2003
Treasury		
Initial	House Bill 5646	Public Act 528 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Supplemental	Senate Bill 540	Public Act 173 of 2003

BUDGET AREA DETAIL

DEPARTMENT OF AGRICULTURE

The initial appropriation was contained in Public Act 516 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	592.8	639.5
Gross	83,165,100	102,738,200
IDG	10,953,800	10,960,400
Federal	6,639,500	14,990,700
Private	1,127,600	1,127,600
Restricted	25,366,700	38,885,800
GF/GP	39,077,500	36,773,700

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 560 of 2002

Veto Restoration: State Services Fee Fund. Governor Engler vetoed funding for 12 horse racing-related line items and the Office of Racing Commissioner in the initial appropriation act because it included additional support from the State Services Fee Fund (casino assessment revenue) above the level recommended by the Governor. In the veto message, the Governor indicated his support for appropriation levels for these programs consistent with his original recommendations.

FTE	36.7
Gross	12,565,700
Restricted	12,565,700
GF/GP	0

2. Public Act 39 of 2003

a. Emerald Ash Borer Program. The Act appropriated additional Federal funds from the U.S. Department of Agriculture, Animal and Plant Health Inspection Service to help address this invasive species in Michigan.

FTE	10.0
Gross	7,250,000
Federal	7,250,000
GF/GP	0

b. Distribution of Outstanding Winning Ticket Revenue. Public Act 516 of 2002 contained an appropriation of \$500,000 from the Agriculture Equine Industry Development Fund for the distribution of outstanding winning ticket revenue or "outs" money. "Outs" revenue represents the unclaimed winnings at Michigan's pari-mutuel horse racing tracks. Public Act 516 required the distribution of the "outs" revenue to the appropriate horse breed line item via a legislative transfer, before the funds could be spent. Public Act 39 repealed the boilerplate language contained in P.A. 516 dealing with the "outs" revenue and instead required the "outs" revenue to be spent, without a legislative transfer, before May 30, 2003.

Gross	N/A
GF/GP	N/A

Change from FY 2002-03 Initial Appropriation	
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B. EXECUTIVE ORDERS

1. Executive Order 2002-22

- a. **Grant Reductions.** The Executive Order reduced the following GF/GP grant programs, totaling \$280,200.

Gross	(280,200)
GF/GP	(280,200)

Migrant labor housing	\$(250,000)
Southwestern Michigan tourist council	(15,100)
Food bank	(15,100)

- b. **Administrative Reductions.** The Executive Order reduced the following GF/GP operations line items, totaling \$696,700.

Gross	(696,700)
GF/GP	(696,700)

Executive direction	\$(10,000)
Statistical reporting service	(8,000)
Management services	(40,000)
Food safety and quality assurance	(80,000)
Animal health and welfare	(58,000)
Pesticide and plant pest management	(100,000)
Environmental stewardship	(50,000)
Laboratory analysis program	(130,600)
Agriculture development	(10,000)
Information technology	(210,100)

2. Executive Order 2003-3

- a. **Grant Reductions.** The Executive Order reduced the following GF/GP grant programs, totaling \$112,700.

Gross	(112,700)
GF/GP	(112,700)

Migrant labor housing	\$(15,000)
Local conservation districts	(97,700)

- b. Administrative Reductions.** The Executive Order reduced the following GF/GP operations line items, totaling \$1,214,200.

Rent and building occupancy charges	\$(100,000)
Animal health and welfare	(60,000)
Bovine tuberculosis program	(150,000)
Consumer protection program	(45,000)
Environmental stewardship	(143,500)
Food safety and quality assurance	(250,100)
Management services	(65,000)
Laboratory analysis program	(85,000)
Pesticide and plant pest management	(200,600)
Statistical reporting service	(15,000)
Marketing and emergency management	(30,000)
Agriculture development	(10,000)
Information technology	(60,000)

C. CONTINGENCY FUNDS

1. State Budget Office Letter 2-19-03

- a. Emerald Ash Borer.** This transfer provided authorization to receive and spend additional Federal revenue for efforts to eradicate the emerald ash borer in Michigan.
- b. Restricted Carryforward Balances.** Various transfers were approved to use one-time restricted revenue carryforward balances to offset partially the GF/GP reductions contained in Executive Order 2003-3.
- c. Bovine TB.** This transfer provided authorization to receive and spend additional Federal revenue for efforts to eradicate bovine tuberculosis in Michigan.

Change from FY 2002-03 Initial Appropriation

Gross	(1,214,200)
GF/GP	(1,214,200)

Gross	62,200
Federal	62,200
GF/GP	0

Gross	410,000
IDG	6,600
Restricted	403,400
GF/GP	0

Gross	150,000
Federal	150,000
GF/GP	0

2. State Budget Office Letter 6-02-03

- a. Animal Health and Welfare: Drug Residue Investigations.** This transfer provided authorization to receive and spend additional Federal revenue to sample random meat tissues at slaughter houses for drug residues.

Gross	47,000
Federal	47,000
GF/GP	0

		Change from FY 2002-03 Initial Appropriation	
b. Animal Health and Welfare: Food Safety Education and Johnnes Disease. This transfer provided authorization to receive and spend additional Federal revenue (\$25,000) for educating livestock producers regarding food safety issues. Funding (\$150,000) also was made available for ongoing Johnnes Disease surveillance and eradication efforts.	Gross	175,000	
	Federal	175,000	
	GF/GP	0	
c. Animal Health and Welfare: Bovine TB, Electronic Livestock Identification System. This transfer provided authorization to receive and spend additional Federal revenue to implement an electronic livestock identification system in order to track animals being tested for bovine tuberculosis.	Gross	200,000	
	Federal	200,000	
	GF/GP	0	
d. Animal Health and Welfare: Veterinarian Training. This transfer provided authorization to receive and spend funds from Michigan State University, College of Veterinary Medicine to train personnel in emergency management activities.	Gross	25,000	
	Restricted	25,000	
	GF/GP	0	
e. Food Safety Education. This transfer provided authorization to spend available carryforward balances from licensing fees for required statutory food safety education.	Gross	275,000	
	Restricted	275,000	
	GF/GP	0	
f. Market Development. This transfer provided authorization to spend available carryforward balances from industry support fees.	Gross	50,000	
	Restricted	50,000	
	GF/GP	0	
g. Market Development. This transfer provided authorization to receive and spend additional Federal revenue to enhance agriculture markets in Michigan.	Gross	182,000	
	Federal	182,000	
	GF/GP	0	
h. Pesticide and Plant Pest Management: Project GREEN. This transfer provided authorization to receive and spend funding from Michigan State University through a competitive grant process for generating pesticide residue data. The project is funded through Project GREEN.	Gross	200,000	
	Restricted	200,000	
	GF/GP	0	
3. State Budget Office Letter 6-02-03			
Animal Health and Welfare: Scrapies and Homeland Security. This transfer provided authorization to receive and spend additional Federal revenue for the control and eradication of scrapies (\$60,000) and homeland security activities on farms (\$225,000).	Gross	285,000	
	Federal	285,000	
	GF/GP	0	

**Change from FY 2002-03
Initial Appropriation**

D. TRANSFERS

1. State Budget Office Letter 12-05-02

a. Early Retirement Savings. The FY 2002-03 enacted budget contained a single negative appropriation intended to represent the Department's GF/GP savings associated with the 2002 early retirement program for State employees. Language in the budget required the negative appropriation to be satisfied by applying the savings to the appropriate line items via legislative transfer. This transfer applied the \$1,315,500 in savings to the appropriate line item accounts containing staffing appropriations and therefore had no net impact on the budget.

Gross 0
GF/GP 0

b. Budget Savings. The FY 2002-03 enacted budget contained a single negative appropriation intended to represent general Department GF/GP savings that would be realized through the hiring freeze and administrative efficiencies. Language in the budget required the negative appropriation to be satisfied by applying the savings to the appropriate line items via legislative transfer. This transfer applied the \$408,000 in savings to the appropriate line item accounts and therefore had no net impact on the budget.

Gross 0
GF/GP 0

2. State Budget Office Letter 9-17-03

a. Rent and Building Occupancy Charges. This transfer moved \$105,000 GF/GP appropriation authorization from the Pesticide and Plant Pest Management Division to the rent/building occupancy account to cover private rental costs at the Saginaw regional office and building occupancy charges at the Traverse City regional office.

Gross 0
GF/GP 0

b. Information Technology Charges. This transfer moved \$335,000 GF/GP appropriation authorization from the Laboratory Program, Management Services, and Pesticide and Plant Pest Management Division to cover costs associated with Department information technology activities. These activities were carried out, under contract, by the Department of Information Technology. The total information technology appropriation for FY 2003-04, after this transfer, was \$1,949,000.

Gross 0
GF/GP 0

3. State Budget Office Letter 10-31-03

Michigan State Fair Loss. This transfer moved \$255,200 GF/GP appropriation authorization from various operating accounts to the Michigan State Fair account to cover a revenue shortfall in FY 2002-03. The funding was available due to vacancies and other cost savings and would have lapsed to the General Fund without this transfer. The Fair experienced a shortfall of \$747,000, of which \$491,800 was covered by the Department of Management and Budget and the remainder by the Department of Agriculture.

Gross 0
GF/GP 0

DEPARTMENT OF ATTORNEY GENERAL

The initial appropriation was contained in Public Act 528 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	586.5	586.5
Gross	61,757,600	61,503,383
IDG	9,917,900	9,917,900
Federal	7,672,700	8,822,700
Local	0	0
Private	1,183,000	1,183,000
Restricted	9,216,400	9,216,400
GF/GP	33,767,600	32,363,383

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

Due to revised revenue estimates, Governor Engler issued an Executive Order 2002-22 to bring appropriations in line with projected revenues. The Executive Order reduced the General Fund appropriation for the Department by 2.5% by increasing the budgetary savings line item, and requiring Legislative transfers to implement the reduction.

Gross	(844,200)
GF/GP	(844,200)

2. Executive Order 2003-3

Due to a continuation of declining revenues, another executive order reduction was issued by the Governor and adopted by the House and Senate Appropriations Committees pursuant to Article V, Section 20 of the Michigan Constitution of 1963. The reduction included the following adjustments:

- a. Administrative Savings.** The Department covered this reduction by not filling all of the vacancies related to early retirement legislation and other efficiencies.
- b. Fleet Savings.** This Executive Order reduction was related to reducing the number of vehicles assigned to the Department, and making more efficient use of the State fleet.

Gross	(484,000)
GF/GP	(484,000)
Gross	(1,317)
GF/GP	(1,317)

		Change from FY 2002-03 Initial Appropriation	
c. Information Technology. The Department of Management and Budget maintained that the Department of Attorney General would achieve savings by reducing the demand for application support, eliminating system enhancements, converting vendor staff to State staff, streamlining organization, consolidating infrastructure, obtaining reductions in vendor rates, limiting new purchases, and applying other efficiencies.		Gross	(58,700)
		GF/GP	(58,700)
d. Prosecuting Attorneys Coordinating Council. This reduction represents the Prosecuting Attorneys Coordination Council share of the Executive Order reduction.		Gross	(16,000)
		GF/GP	(16,000)
C. CONTINGENCY FUNDS			
State Budget Office Letter 9-17-03			
1. Child Support Enforcement Unit. The Department of Attorney General created a Child Support Collections Unit on April 1, 2003. The Unit qualifies for Federal funds based on 66% of its total cost. The transfer authorized \$280,000 in Federal funds for the Unit. The FY 2003-04 budget includes authorization for 25.0 FTEs/\$2,132,400 (of which \$1,407,400 is Federal funding).		Gross	280,000
		Federal	280,000
		GF/GP	0
2. Medicaid Fraud. The Health Care Fraud Division initiates Medicaid fraud cases that generate civil penalties. The penalties are considered program income and expenditures are required to meet Federal guidelines. This transfer authorized the use of \$870,000 in program income to meet the State's General Fund match requirement.		Gross	870,000
		Federal	870,000
		GF/GP	0
D. TRANSFERS			
1. State Budget Office Letter 12-05-02			
a. Early Retirement Savings. The initial appropriation included a line item reduction of \$1,081,100 related to savings from early retirement legislation (Public Act 93 of 2002). This transfer allocated the reduction to expenditure line items that funded positions affected by early retirement.		Gross	0
		GF/GP	0
b. Budgetary Savings Included in Initial Appropriation. The initial appropriation included a line item reduction of \$357,500 for budgetary savings. This transfer allocated savings to expenditure line items.		Gross	0
		GF/GP	0
c. Budgetary Savings Related to Executive Order 2002-22. This transfer allocated the \$844,200 reduction contained in Executive Order 2002-22 to specific line items.		Gross	0
		GF/GP	0

2. State Budget Office Letter 9-17-03

Information Technology. This transfer funded costs associated with two employees who were transferred to the Department of Information Technology. The adjustment was included in the FY 2003-04 budget. Funding for the transfer of \$168,000 from the unclassified positions line item to the information technology appropriation line item was available due to partial-year vacancies and pay rates for unclassified positions in the Department of Attorney General.

<div>Change from FY 2002-03 Initial Appropriation</div>	
Gross	0
GF/GP	0

CAPITAL OUTLAY

The initial appropriation was contained in Public Act 518 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	0	0
Gross	577,269,900	606,185,900
IDG	4,000,000	4,000,000
Federal	167,542,000	192,092,000
Local	43,000,000	43,532,000
Private	0	0
Restricted	58,245,000	77,395,000
GF/GP	304,482,900	289,166,900

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 530 of 2002

Budgetary Savings. The supplemental appropriation contained boilerplate language (Section 1207) that required budgetary savings in the initial appropriation totaling \$173,200, to be satisfied at a later date by legislative transfers recommended by the Department of Management and Budget and approved by the legislative Appropriations Committees.

Gross	(173,200)
GF/GP	(173,200)

2. Public Act 560 of 2002

Construction Authorizations. Public Act 560 provided construction authorizations for the Lake Michigan College, Van Buren Center, total cost \$7,800,000, and the Michigan Technological University, Center for Integrated Learning and Information Technology Project, total cost \$33,838,700. Both projects had previously received planning authorizations and are to be financed through the State Building Authority.

Gross	200
GF/GP	200

3. Public Act 746 of 2002

a. Department of Military and Veterans Affairs. Public Act 746 contained two new appropriations for the Department, a \$4,100,000 Federal appropriation for armory maintenance projects, and a \$19,000,000 appropriation for the Lansing readiness center (\$18,250,000 Federal, \$750,000 from the Armory Construction Fund).

Gross	23,100,000
Federal	22,350,000
Restricted	750,000
GF/GP	0

b. Department of Natural Resources - State Parks. An additional appropriation for State park infrastructure improvements was included with funding from the State Park Endowment Fund.

Gross	5,200,000
Restricted	5,200,000
GF/GP	0

- c. **Department of Natural Resources - Waterways Program.** Three new harbor and docks projects as well as the cancellation of the Mackinac Island marina expansion project (\$9,025,000) were included in Public Act 746. The projects included a new boating access site and marina expansion at the Bolles harbor in Monroe County, and a new marina rehabilitation project in Muskegon.

Gross	(3,800,000)
Restricted	(3,800,000)
GF/GP	0

4. Public Act 39 of 2003

- Airport Improvement Program.** The supplemental restored \$12,000,000 in GF/GP revenue that was cut in Executive Order 2003-3, and replaced it with funding from Comprehensive Transportation Fund bond proceeds. The appropriation supports the Northwest Airlines midfield terminal project at Detroit Metropolitan Airport.

Gross	12,000,000
Restricted	12,000,000
GF/GP	0

5. Public Act 173 of 2003

- Airport Improvement Program.** The Act included new Federal and Restricted money for a variety of airport improvement projects at a number of airports statewide.

Gross	7,732,000
Federal	2,200,000
Local	532,000
Restricted	5,000,000
GF/GP	0

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

- Special Maintenance.** The Executive Order reduced General Fund support for special maintenance at State agencies by \$427,700 or 10.4%.

Gross	(427,700)
GF/GP	(427,700)

2. Executive Order 2003-3

- a. **Special Maintenance.** The Executive Order reduced General Fund support for special maintenance at State agencies by \$2,092,300, or 51.1% from the original appropriation. In addition, special maintenance funds for the Department of Military and Veterans Affairs were reduced by \$623,000, or 51% of the original appropriation.

Gross	(2,715,300)
GF/GP	(2,715,300)

- b. **Northwest Airlines Midfield Terminal Project - Detroit Metropolitan Airport.** The Executive Order eliminated the General Fund support for the final payment of the State's obligation to support the construction of the new midfield terminal project at Detroit Metro Airport. The money was restored in Public Act 39 of 2003 with funds from Comprehensive Transportation Fund bond proceeds.

Gross	(12,000,000)
GF/GP	(12,000,000)

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS

State Budget Office Letter 12-5-03

This transfer moved \$173,200 from various special maintenance accounts to the budgetary savings line created in P.A. 530 of 2002.

Gross	0
GF/GP	0

DEPARTMENT OF CAREER DEVELOPMENT

The initial appropriation was contained in Public Act 517 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	1,089.0	1,089.0
Gross	461,321,600	466,311,700
IDG	0	0
Federal	406,469,200	414,669,200
Local	15,011,900	15,011,900
Private	2,396,300	2,396,300
Restricted	9,661,500	7,661,500
GF/GP	27,782,700	26,572,800

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

Due to an October 2002 adjustment in revenue estimates, an additional 2.5% reduction in General Fund expenditures was required to balance the budget. This E.O. was issued in December and the reduction amounts were carried out through a package of legislative transfers. See D.1. below for details.

Gross	(694,600)
GF/GP	(694,600)

2. Executive Order 2003-3

Due to a January 2003 adjustment in revenue estimates, an additional reduction in General Fund expenditures was required to balance the budget. This E.O. was issued in February and identified specific cuts to various line items. The Order was approved by the House and Senate Appropriations Committees pursuant to the Constitution. These reductions included:

- a. **Administrative Savings.** Additional reductions were taken from the administrative line items to affect this reduction and included \$1,300 in fleet savings.
- b. **Job Training Programs Subgrantees.** This funding was used to support the operations of the One Stop Centers throughout the State.

Gross	(401,300)
GF/GP	(401,300)
Gross	(10,000)
GF/GP	(10,000)

c. Vocational Rehabilitation Client Services/Facilities. These are Federal matching grants that are provided to both local Rehabilitation Services Offices and Facilities. These grants support assessments, counseling, and job placement services for individuals with physical or mental disabilities that may result in a barrier to work. These funds are used in conjunction with local funding to match Federal dollars.	Gross	(67,600)
	GF/GP	(67,600)
d. Vocational Rehabilitation Independent Living. These grants are provided to the 10 established and five developing centers located around the State. These centers provide advocacy, referral, and supportive services to the disabled to increase independent living as opposed to residence in a nursing or health care facility. This reduction was taken from the \$1.9 million of General Fund support that is a supplement to the Federal administrative funding.	Gross	(36,400)
	GF/GP	(36,400)
e. Council of Michigan Foundations. These funds are awarded to the 65 certified foundations to support programs that promote health programs for youth and seniors. Of these funds, 50% was allocated for a permanent endowment fund and the other 50% was distributed as pass-through grants to advisory committees. This reduction eliminated the endowment portion of this grant program.	Gross	(2,000,000)
	Restricted GF/GP	(2,000,000)

C. CONTINGENCY FUNDS

Job Training Programs Subgrantees. Additional Federal funds were made available under the Trade Adjustment Assistance Reform Act (TAARA). In July 2003, these funds were made available in a Federal National Emergency Grant to account for the changes made to this program in 2002 that resulted in increased enrollment. Changes in the program included adding those affected by production shifts to other countries, additional weeks for income support, tax credits for health insurance, and a new worker program for workers 50 years or older.	Gross	8,200,000
	Federal	8,200,000
	GF/GP	0

D. TRANSFERS

State Budget Office Letter 12-05-02

1. Budgetary Savings. The enacted budget included a negative appropriation unit that equated to a 1% or \$346,800 reduction. This reduction was applied to various line items through a legislative transfer.	Gross	0
	GF/GP	0
2. Early Retirement Savings. The enacted budget included a negative appropriation unit to account for savings that would be realized from the unfilled vacancies that resulted from the early retirement legislation. The savings totaled \$575,300 and were applied to the affected line items through a legislative transfer.	Gross	0
	GF/GP	0
3. Budgetary Savings Included in E.O. 2002-22. In addition to the above-mentioned reductions, additional cuts were required to balance the budget pursuant to a revision in the revenue estimates. These reductions, which totaled \$694,600, were applied to grant programs through a legislative transfer. The grant programs that received cuts included Focus:HOPE, Vocational Rehabilitation Independent Living, Precollege Programs, and the Welfare-to-Work programs.	Gross	0
	GF/GP	0

DEPARTMENT OF CIVIL RIGHTS

The initial appropriation was contained in Public Act 528 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	158.5	158.5
Gross	14,367,700	13,972,600
IDG	0	0
Federal	934,000	1,282,700
Local	0	0
Private	0	0
Restricted	0	0
GF/GP	13,433,700	12,689,900

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

Due to revised revenue estimates, Governor Engler issued Executive Order 2002-22 to bring appropriations in line with projected revenues. The Executive Order reduced the General Fund appropriation for the Department by 2.5% by increasing the budgetary savings line item, and requiring legislative transfers to implement the reduction.

Gross	355,800
GF/GP	355,800

2. Executive Order 2003-3

a. Administrative Savings. The Department covered this reduction by not filling all of the vacancies related to early retirement legislation and by applying other efficiencies.

Gross	(324,200)
GF/GP	(324,200)

b. Fleet Savings. This Executive Order reduction is related to a reduction in the number of vehicles assigned to the Department, and more efficient use of the State fleet.

Gross	(2,329)
GF/GP	(2,329)

c. Information Technology. The Department of Management and Budget maintained that departments would achieve savings by reducing the demand for application support, eliminating system enhancements, converting vendor staff to State staff, streamlining organization, consolidating infrastructure, obtaining reductions in vendor rates, limiting new purchases, and applying other efficiencies.

Gross	(81,471)
GF/GP	(81,471)

**Change from FY 2002-03
Initial Appropriation**

C. CONTINGENCY FUNDS

State Budget Office Letter 9-17-03

- | | | |
|---|---------------------------|-------------------------|
| <p>1. Federal Equal Employment Opportunity Commission Funding. This transfer recognized increased Equal Employment Opportunity Commission (EEOC) funding for equal employment opportunity complaints. The Department of Civil Rights' FY 2002-03 original appropriation for EEOC funding was \$600,000. The original appropriation of Federal funds was based on estimated case production. Actual cases eligible for Federal funds exceeded the estimate.</p> | Gross
Federal
GF/GP | 116,300
116,300
0 |
| <p>2. Federal Housing and Urban Development Funding. This transfer recognized increased Housing and Urban Development (HUD) funds for investigation of housing complaints. The Department of Civil Rights' FY 2002-03 original appropriation for HUD funding was \$334,000. The original appropriation of Federal funds was based on estimated case production. Actual cases eligible for Federal funds exceeded the estimate. Also, the Federal reimbursement rate for HUD cases increased subsequent to the appropriation.</p> | Gross
Federal
GF/GP | 232,400
232,400
0 |

D. TRANSFERS

1. State Budget Office Letter 12-05-02

- | | | |
|---|----------------|--------|
| <p>a. Early Retirement Savings. The initial appropriation included a line item reduction of \$837,100 related to savings from early retirement legislation (Public Act 93 of 2002).</p> | Gross
GF/GP | 0
0 |
| <p>b. Budgetary Savings Included in Initial Appropriation. The initial appropriation included a line item reduction of \$144,100 for budgetary savings. The transfer allocated the reduction to specific line items.</p> | Gross
GF/GP | 0
0 |
| <p>c. Budgetary Savings Related to Executive Order 2002-22. This transfer allocated the \$335,800 reduction contained in Executive Order 2002-22 to specific line items.</p> | Gross
GF/GP | 0
0 |

2. State Budget Office Letter 6-2-03

- | | | |
|---|----------------|--------|
| <p>Operations Shortfall. This transfer shifted \$55,000 from the information technology appropriation to operations in order to help offset reductions related to Executive Order 2003-03. Funds were available from the information technology line item due to reductions in contractual services and other savings.</p> | Gross
GF/GP | 0
0 |
|---|----------------|--------|

DEPARTMENT OF CIVIL SERVICE

The initial appropriation was contained in Public Act 528 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	201.5	201.5
Gross	31,585,200	30,854,000
IDG	5,300,000	5,757,904
Federal	4,779,100	4,820,660
Local	1,700,000	1,545,548
Private	150,000	31,144
Restricted	9,639,200	9,413,044
GF/GP	10,016,900	9,285,700

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

Due to revised revenue estimates, Governor Engler issued Executive Order 2002-22 to bring appropriations in line with projected revenues. The Executive Order reduced the General Fund appropriation for the Department by 2.5% by increasing the budgetary savings line item, and requiring legislative transfers to implement the reduction.

Gross	(250,400)
GF/GP	(250,400)

2. Executive Order 2003-3

a. Administrative Savings. The Department covered this reduction by not filling all of the vacancies related to early retirement legislation and by applying other efficiencies.

Gross	(298,400)
GF/GP	(298,400)

b. Fleet Savings. This Executive Order reduction is related to reducing the number of vehicles assigned to the Department, and making more efficient use of the State fleet.

Gross	(400)
GF/GP	(400)

c. Information Technology. The Department of Management and Budget maintained that departments would achieve savings by reducing the demand for application support, eliminating system enhancements, converting vendor staff to State staff, streamlining organization, consolidating infrastructure, obtaining reductions in vendor rates, limiting new purchases, and applying other efficiencies.

Gross	(182,000)
GF/GP	(182,000)

**Change from FY 2002-03
Initial Appropriation**

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS

1. State Budget Office Letter 12-05-02

a. Early Retirement Savings. The initial appropriation included a line item reduction of \$525,600 related to savings from early retirement legislation (Public Act 93 of 2002).

Gross	0
GF/GP	0

b. Budgetary Savings Included in Initial Appropriation. The initial appropriation included a line item reduction of \$106,500 for budgetary savings. The transfer allocated the reduction to specific line items.

Gross	0
GF/GP	0

c. Budgetary Savings Related to Executive Order 2002-22. This transfer allocated the \$250,400 reduction contained in Executive Order 2002-22 to specific line items.

Gross	0
GF/GP	0

2. State Budget Office Letter 9-17-03

Source of Funding Adjustments. This transfer adjusted authorizations to reflect actual 1% revenue sources received by the Department of Civil Service.

Gross	0
IDG	457,904
Federal	41,560
Local	(154,452)
Private	(118,856)
Restricted	(226,156)
GF/GP	0

COMMUNITY COLLEGES

The initial appropriation was contained in Public Act 161 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	NA	NA
Gross	321,732,319	310,885,794
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	2,000,000	3,373,682
GF/GP	319,732,319	307,512,112

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 746 of 2002

a. Operational Funding Increase. The Act contained an across-the-board 0.05% increase in base operational appropriations funded from the Michigan Merit Award Trust Fund, totaling \$1,577,522, and an additional \$18,461 for the At-Risk program, also funded from the Merit Award Trust Fund.

Gross	1,595,982
Restricted	1,595,982
GF/GP	0

b. Renaissance Zone Tax Reimbursements. An appropriation of \$561,201 was included to meet the additional costs of Renaissance Zone tax reimbursements. This supplemental more than doubled the original appropriation of \$536,000.

Gross	561,201
GF/GP	561,201

2. Public Act 146 of 2003

Operational Funding Increase. Public Act 146 is the FY 2003-04 annual appropriation Act for community colleges. As part of the final budget deliberations on that legislation, the Legislature included an FY 2002-03 supplemental appropriation for community colleges in the FY 2003-04 bill. The supplemental was distributed equally to all colleges, and represented a 0.3% increase to college operations. The funding came from the Michigan Merit Award Trust Fund.

Gross	1,077,700
Restricted	1,077,700
GF/GP	0

B. EXECUTIVE ORDERS

1. Executive Order 2002-22.

Operational Funding. This Executive Order reduced college operations, and the At-Risk program by 2.5%, taken on an equal percentage basis from each college.

Gross	(7,993,308)
GF/GP	(7,993,308)

2. Executive Order 2003-3

a. Operational Funding. This Executive Order reduced college operations, and the At-Risk program by 1.5%, taken on an equal percentage basis from each college.	Gross GF/GP	(4,788,100) (4,788,100)
b. Post-secondary Access Student Scholarship Program (PASS). The Executive Order reduced the uncommitted balance of the appropriation for the program, which was funded from the Michigan Merit Award Trust Fund. The program was eliminated in the FY 2003-04 budget.	Gross Restricted GF/GP	(1,300,000) (1,300,000) 0

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS - NONE

DEPARTMENT OF COMMUNITY HEALTH

The initial appropriation was contained in Public Act 519 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	5,672.3	5,672.3
Gross	9,397,514,700	9,984,940,012
IDG	69,172,900	69,172,900
Federal	5,002,000,200	5,519,029,900
Local	946,584,600	1,070,518,700
Private	64,736,600	66,818,500
Restricted	774,821,500	877,369,600
GF/GP	2,540,198,900	2,382,030,412

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 746 of 2002

a. Healthy Michigan Fund (HMF) Shift. Twenty-four million dollars of unallocated HMF revenues were used to offset existing GF/GP funding in the Medicaid program. In addition, \$6.1 million of new HMF revenue received due to the cigarette tax increase was used to replace local revenue from the airport parking tax for the Wayne County PlusCare Program.

Gross	0
Local	(6,100,000)
Restricted	30,100,000
GF/GP	(24,000,000)

b. Maternal Outpatient Medical Support (MOMS) Program Fund Shift. Nearly \$3 million of available Federal State Child Health Insurance Program (SCHIP) funds were allocated to the MOMS program to replace an equal amount of GF/GP funds that were eliminated as part of E.O. 2002-22.

Gross	2,985,100
Federal	2,985,100
GF/GP	0

2. Public Act 39 of 2003

a. Bioterrorism Preparedness. Available Federal dollars were allocated to support the state's public health bioterrorism preparedness efforts.

Gross	23,300,000
Federal	23,300,000
GF/GP	0

b. Medicaid. Funding was restored to adjust the Medicaid appropriation to conform with the original intent of the Legislature in the enactment of the budget. Funding had been eliminated when Governor Engler vetoed the Medicaid Long-Term Care Services and Health Maintenance Organizations line items in the FY 2002-03 DCH appropriations act.

Gross	204,873,200
Federal	91,087,400
Local	118,685,800
GF/GP	(4,900,000)

3. Public Act 173 of 2003

- a. **Fund Shift.** Federal fiscal relief funds were allocated to replace GF/GP dollars. In addition, adjustments are made to the CMHSP purchase of state services contracts for state mental health facilities.

Gross	(1,136,700)
Federal	148,800,000
Local	(1,136,700)
GF/GP	(148,800,000)

- b. **Salvation Army Turning Point of West Michigan.** Federal funds were allocated to restore a veto of funding for substance abuse services.

Gross	2,862,000
Federal	2,862,000
GF/GP	0

- c. **Medicaid Funding Shortfall.** Funding was allocated to cover increased Medicaid costs due to caseload and utilization growth.

Gross	268,110,000
Federal	148,590,000
GF/GP	119,520,000

4. Public Act 237 of 2003

- Medicaid.** Additional Federal and State Restricted funding was appropriated in order to avoid any overexpenditures in the Medicaid program when final expenditures were accounted for at bookclosing.

Gross	86,857,000
Federal	34,408,900
Restricted	52,448,100
GF/GP	0

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

- a. **Maternal Outpatient Medical Support (MOMS) Program Fund Shift.** Nearly \$3 million of GF/GP funds were eliminated due to E.O. 2002-22. An equal amount of Federal SCHIP dollars were allocated to this program in P.A. 746 of 2002.

Gross	(2,985,100)
Federal	0
GF/GP	(2,985,100)

- b. **Long-Term Care Savings.** A total of \$16.6 million GF/GP was reduced by increasing third-party recoveries (\$5 million) and by freezing the enrollment in the Home- and Community-Based Waiver program (\$11.6 million).

Gross	(37,236,400)
Federal	(20,636,400)
GF/GP	(16,600,000)

- c. **Budgetary Savings.** E.O. 2002-22 contained a 2.5% reduction from the adjusted GF/GP appropriations for the department. This reduction was spread across several accounts in the DCH budget.

Gross	(63,446,100)
Federal	0
GF/GP	(63,446,100)

2. Executive Order 2003-03

- Administrative Savings and Grant Reductions.** Reductions occurred in a variety of accounts throughout the DCH budget as a result of administrative savings and grant reductions.

Gross	(16,957,288)
Federal	0
GF/GP	(16,957,288)

C. CONTINGENCY FUNDS

1. State Budget Office Letter 6-02-03

a. Certificate of Need. Restricted revenue was added to replace an equal amount of GF/GP that was removed in Executive Order 2003-3.	Gross	222,900
	Restricted	222,900
	GF/GP	0
b. Disabilities Council. Additional Federal funds for advocacy services to the developmentally disabled was recognized.	Gross	500,000
	Federal	500,000
	GF/GP	0
c. Rural Health Services. Federal funding was made available to help small hospitals with compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and to reduce medical errors.	Gross	590,000
	Federal	590,000
	GF/GP	0
d. Assertive Community Treatment. Additional private revenue from a Flinn Family Foundation grant was recognized.	Gross	60,900
	Private	60,900
	GF/GP	0
e. Mental Health Initiatives for Older Persons. This transfer recognized additional Federal funding to be used to improve care for Alzheimer's patients.	Gross	285,000
	Federal	285,000
	GF/GP	0
f. Forensic Center. This transfer reflected the anticipated local earnings level for the Center for Forensic Psychiatry.	Gross	600,000
	Local	600,000
	GF/GP	0
g. Community Substance Abuse. An adjustment was made to reflect final anticipated Federal and Substance Abuse Licensing Restricted revenue supporting the Community Substance Abuse program.	Gross	811,600
	Federal	287,700
	Restricted	523,900
	GF/GP	0
h. AIDS Prevention, Testing, and Care Programs. This transfer reflected additional Federal Ryan White CARE grants funding.	Gross	3,000,000
	Federal	3,000,000
	GF/GP	0
i. Laboratory Services. This transfer recognized additional newborn screening fee revenues, intended to be used to perform the new medium chain acyl-coenzyme A dehydrogenase deficiency test on newborns.	Gross	769,000
	Restricted	769,000
	GF/GP	0
j. AIDS Surveillance and Prevention Program. An authorization increase was made to reflect Federal funding for HIV/AIDS surveillance activities.	Gross	893,000
	Federal	893,000
	GF/GP	0

k. Asthma Prevention and Control. This transfer reflected the total revenue available from the Federal Centers for Disease Control and Prevention.	Gross Federal GF/GP	554,000 554,000 0
l. Lead Abatement. Additional revenue was made available for lead abatement activities by the Environmental Protection Agency.	Gross Federal GF/GP	715,000 715,000 0
m. Cancer Prevention and Control. A significant increase in Federal cancer funding was recognized in this transfer.	Gross Federal GF/GP	3,896,000 3,896,000 0
n. Arthritis Program. This transfer recognized Federal revenue used to support the arthritis program.	Gross Federal GF/GP	99,000 99,000 0
o. Diabetes and Kidney Program. The Federal Centers for Disease Control and Prevention made additional Federal funding available for the State's diabetes and kidney program.	Gross Federal GF/GP	147,000 147,000 0
p. Injury Control Intervention Project. This transfer reflected increased Federal funding intended to cover older adults for fall injury prevention.	Gross Federal GF/GP	227,000 227,000 0
q. Health Education. Additional Federal funding was made available for nutrition and physical activity programming paid out of the Health Education, Promotion, and Research Programs line item.	Gross Federal GF/GP	143,000 143,000 0
r. Violence Prevention. This transfer reflected additional Federal funds made available for the rape prevention and education program.	Gross Federal GF/GP	305,000 305,000 0
s. Childhood Lead Program. Funding was made available to support ongoing childhood lead poisoning prevention activities.	Gross Federal GF/GP	46,000 46,000 0
t. Family Planning. Additional Federal revenue was made available for Title X family planning services.	Gross Federal GF/GP	1,506,000 1,506,000 0
u. Migrant Health Care. This transfer was adopted to increase authorization for the Migrant Health Care line in order to expend additional Medicaid match earnings.	Gross Federal GF/GP	61,000 61,000 0

v. Pediatric AIDS. Additional Federal Ryan White Title IV funding was made available for pediatric AIDS efforts.	Gross	208,000
	Federal	208,000
	GF/GP	0
w. Fetal Alcohol Syndrome. This transfer placed Maternal and Child Health Block Grant funding into the Special Projects line in order to support fetal alcohol syndrome programming.	Gross	200,000
	Federal	200,000
	GF/GP	0
x. Sudden Infant Death Syndrome. This transfer increased Federal authorization for the Sudden Infant Death Syndrome program in order to replace GF/GP dollars that were eliminated by Executive Order 2003-3.	Gross	200,000
	Federal	200,000
	GF/GP	0
y. Women, Infants, and Children (WIC) Program. This transfer reflected additional available WIC formula rebate revenue, to be used to support ongoing WIC programming.	Gross	1,756,000
	Private	1,756,000
	GF/GP	0
z. Children's Special Health Care Bequests. Authorization to reflect bequests for individuals treated by this program was increased.	Gross	250,000
	Private	250,000
	GF/GP	0
aa. Crime Victim Rights Services Grants. This transfer increased authorization to reflect increased Restricted revenue from court fines assessed against convicted criminals.	Gross	660,000
	Restricted	660,000
	GF/GP	0
bb. Crime Victims Grant Administration Services. This transfer reflected additional Federal and Restricted revenue used to support this program.	Gross	326,700
	Federal	99,900
	Restricted	226,800
	GF/GP	0
cc. Office of Services to the Aging Administration. This transfer reflected private revenue from two sources to support administrative activities.	Gross	15,000
	Private	15,000
	GF/GP	0
2. State Budget Office Letter 9-17-03		
a. Rent and Building Occupancy. In conjunction with the transfer referenced in item D.3.a below, a small amount of newborn screening fee revenue was used to help cover laboratory rent costs.	Gross	7,400
	Restricted	7,400
	GF/GP	0
b. Departmentwide Administration and Management. Additional Federal funding due to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and Federal random moment sampling earnings were made available through the Department's cost allocation plan.	Gross	1,200,000
	Federal	1,200,000
	GF/GP	0

c. Mental Health/Substance Abuse Administration. Additional Federal money from two sources, the Substance Abuse/Mental Health Services Administration (SAMHSA) state incentive grant and the SAMHSA mental health data infrastructure grant was made available.	Gross Federal GF/GP	200,000 200,000 0
d. Medicaid Substance Abuse Services. The Medicaid match rate for the last half of FY 2002-03 was increased from 55.42% to 59.31%. This transfer reflected the additional Federal earnings for the Medicaid Substance Abuse Services line.	Gross Federal GF/GP	1,400,000 1,400,000 0
e. Forensic Center Local Match. This transfer recognized the available Local 10% County Match revenue covering a small anticipated shortfall in the Center for Forensic Psychiatry line item.	Gross Local GF/GP	200,000 200,000 0
f. Additional Newborn Screening Revenue. This transfer recognized additional newborn screening fee revenues, intended to be used to perform the new medium chain acyl-coenzyme A dehydrogenase deficiency test on newborns. This funding was in addition to the funding described in item C.1.i above.	Gross Restricted GF/GP	100,000 100,000 0
g. Medicaid Reimbursement to Local Health Departments. This transfer increased Federal authorization for reimbursement to local health departments to correspond with anticipated Federal earnings.	Gross Federal GF/GP	300,000 300,000 0
h. Federal Title X Family Planning Revenue. Additional Federal family planning revenue was made available. This funding was in addition to the funding described in item C.1.t above.	Gross Federal GF/GP	116,000 116,000 0
i. Family Support Subsidy Shortfall. The Family Support Subsidy program, which is fully supported by Federal Temporary Assistance to Needy Families (TANF) funding, was in deficit and this transfer was used to increase authorization to cover anticipated expenditures.	Gross Federal GF/GP	716,000 716,000 0
j. Housing and Support Services. Additional Federal Housing Opportunities for Persons with AIDS funding was made available by the Department of Housing and Urban Development, to be used for ongoing activities of the housing and support services program.	Gross Federal GF/GP	291,000 291,000 0
k. Office of Services to the Aging. Various Federal funds were made available for Aging Administration (\$200,000), Community Services (\$1,850,000), and Nutrition Services (\$179,000).	Gross Federal GF/GP	2,229,000 2,229,000 0
l. Respite Care Revenue. Additional escheats revenue dedicated to the Senior Respite Care program was available to cover ongoing costs of the Respite Care program.	Gross Restricted GF/GP	490,000 490,000 0
m. Information Technology HIPAA Federal Revenue. This transfer reflected greatly increased Federal authorization to implement the Department's advanced planning document covering HIPAA compliance.	Gross Federal GF/GP	9,400,000 9,400,000 0

n. Hospital Quality Assurance Assessment Program (QAAP). The original funding assumed in the FY 2002-03 budget for the hospital QAAP was based on a particular model. The final model that was adopted and approved by the Federal government included more assessment revenue and a larger increase in Medicaid rates and this transfer reflects the final model.	Gross	28,663,000
	Federal	11,663,000
	Restricted	17,000,000
	GF/GP	0
o. Adjustments to Medicare Premium Payments and Pharmaceutical Services. Authorization for these two lines was increased in order to cover late fiscal year provider payments prior to the final adjustments made in the bookclosing transfers and in House Bill 4367.	Gross	33,450,000
	Federal	33,450,000
	GF/GP	0
p. Michigan State University (MSU) Institute for Managed Care Contract. This transfer reflected Federal funding for a contract with MSU's Institute for Managed Care.	Gross	1,455,100
	Federal	1,455,100
	GF/GP	0

3. State Budget Office Letter 10-31-03

a. Special Financing Adjustments. Due to additional one-time Medicaid special financing revenues, certain shortfalls in the Hospital Services and Therapy and MIFamily Plan line items were alleviated through this transfer.	Gross	13,410,500	
	Local	13,410,500	
	GF/GP	0	
b. Maternal and Child Health. This transfer recognized additional Federal revenue used to cover full cost reimbursement of maternal and child health services provided by Local Health Departments.	Gross	4,300,000	
	Federal	4,300,000	
	GF/GP	0	
c. Caseload Shift in the Children's Special Health Care Services (CSHCS) Program. There has been a shift in the CSHCS caseload from the Title V program into the Title XIX (Medicaid) program, resulting in a need for increased Federal authorization in the CSHCS line and the Conveyor Contract line.	Gross	4,950,000	
	Federal	4,950,000	
	GF/GP	0	

D. TRANSFERS

1. Budgetary Savings and Early Retirement Transfers

a. Early Retirement Transfers. Funding was transferred from a number of accounts to cover the \$5,393,700 Early Retirement savings deduct.	Gross	0	
	GF/GP	0	
b. Budgetary Savings Transfers. After passage of Executive Order 2002-22 the total Budgetary Savings deduct was \$89,076,700. In December 2002 the Senate and House Appropriations Committees adopted transfers that covered \$84,545,300 of that deduct. The reductions made to the Department included: a reduction in CMH Medicaid rates of 1.1%, reductions to Medicaid Hospital, Home Health, Nursing Home, and HMO rates of 1.85%, elimination of Medicaid Outreach, reductions to numerous smaller programs including Meningitis, Obesity, and Cancer Centers, elimination of Medicaid coverage for Caretaker Relatives (later overruled by the courts), elimination of the Hospital Outpatient adjustor, as well as various administrative savings.	Gross	(1,725,500)	
	Local	(1,725,500)	
	GF/GP	0	

2. State Budget Office Letter 6-02-03

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|--|----------------|--------|
| a. Veto of the Community Mental Health (CMH) Quality Assurance Assessment. Due to the veto of the CMH QAAP, \$42,177,300 in GF/GP funding was transferred back from the HMO line to the CMH Medicaid line. | Gross
GF/GP | 0
0 |
| b. Transfer of Developmental Disability (DD) Funding from Facilities to CMHs . Each year as more DD individuals are transferred from State facilities to community settings, the funding associated with these individuals (in this case \$4,209,200) is transferred from the facilities to the CMHs. | Gross
GF/GP | 0
0 |
| c. Southgate and Fairlawn Centers Closing Costs. This transfer shifted \$216,000 from the Severance Pay line item to the Closed Site line to cover facility closure costs. | Gross
GF/GP | 0
0 |

3. State Budget Office Letter 9-17-03

- | | | |
|--|----------------|--------|
| Rent and Building Occupancy. In conjunction with the transfer referenced in item C.2.a., \$780,000 was shifted from Departmentwide Administration to the Rent and Building Occupancy line to help cover building occupancy charges. | Gross
GF/GP | 0
0 |
|--|----------------|--------|

4. State Budget Office Letter 10-31-03

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|---|----------------|--------|
| a. GF/GP Portion of Conveyor Contract Costs. In association with the \$150,000 in Federal authorization for the Conveyor Contract line referenced in item C.3.c. above, \$84,000 was transferred into the Conveyor Contract line to serve as match for the Federal funds. | Gross
GF/GP | 0
0 |
| b. Final Bookclosing Medicaid Adjustments. As is the case each year, at bookclosing there are transfers of funding among the various Medicaid accounts to bring certain accounts out of deficit for bookclosing. In this case \$13,000,000 was transferred into the Physician Services, Pharmaceutical Services, and the Ambulance Services lines. | Gross
GF/GP | 0
0 |
| c. Northville Psychiatric Hospital Closure Costs. This transfer shifted \$6,958,400 from various accounts with surplus funding to cover salaries, fringe costs, annual leave payouts, and unemployment costs related to the closure of the Northville Psychiatric Hospital. | Gross
GF/GP | 0
0 |
| d. Budgetary Savings Deduct. There was \$4,531,400 left in the Budgetary Savings deduct after the FY 2002-03 budget reductions of December 2002 were adopted. This transfer covers the remaining deduct by removing funding from administrative and program lines which had surplus funding. | Gross
GF/GP | 0
0 |

CONSUMER AND INDUSTRY SERVICES

The initial appropriation was contained in Public Act 527 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	3,948.9	3,948.9
Gross	555,301,500	586,880,364
IDG	111,100	111,100
Federal	241,911,500	279,611,500
Local	0	0
Private	770,000	770,000
Restricted	276,532,600	273,487,300
GF/GP	35,976,300	32,900,464

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 173 of 2003

Michigan State Housing Development Authority. Currently, the Authority administers two Federal Section 8 Housing Programs. The first, which is still administered but has not funded a new project since the 1980s, is a program that provides mortgage subsidies for developers who built or rehabilitated low-income housing units. The second is a rental subsidy program in which a subsidy is made on behalf of tenants directly to landlords. Many of the mortgages in the first program are now being closed out through maturity and accelerated payments due to low-interest rates. Without the mandatory rental restrictions, some of these landowners are converting the properties to market rate units. Those individuals currently occupying these units, who are unable to afford the market rate prices, are eligible for vouchers under the rental subsidy program. It is this shift in clients from the mortgage program to the rent assistance line that has caused the increases in expenditures from this line.

Gross	37,700,000
Federal	37,700,000
GF/GP	0

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

- a. Due to an October adjustment in revenue estimates, an additional 2.5% reduction in General Fund expenditures was required to balance the budget. This E.O. was issued in December 2002 and the reduction amounts were carried out through a package of legislative transfers. See D.1. below for details.

Gross	(899,400)
GF/GP	(899,400)

- b. Fire Protection Grants.** These grants were included under the Michigan Department of Transportation budget after the Governor vetoed the original appropriation. These grants were originally appropriated at \$7,421,000 but were reduced in this Executive Order by 50%.

Gross	(3,710,500)
Restricted	(3,710,500)
GF/GP	0

2. Executive Order 2003-3

Due to a January adjustment in revenue estimates, an additional reduction in General Fund expenditures was required to balance the budget. This E.O. was issued in February 2003 and identified specific cuts to various line items. The Order then was approved by the House and Senate Appropriations Committees. These reductions included:

- a. Administrative Savings.** Additional reductions were taken from the administrative line items to effect this reduction.
- b. Information Technology.** The Department of Management and Budget maintained that departments would achieve savings by reducing the demand for application support, eliminating system enhancements, converting vendor staff to State staff, streamlining organization, consolidating infrastructure, obtaining reductions in vendor rates, limiting new purchases, and applying other efficiencies.
- c. Fleet Savings.** Savings were achieved through improved use of the State vehicle fleet, including elimination of underused vehicles.
- d. Emergency Medical Services Grants.** These grants were reduced to achieve the expenditure limits set during the revised estimate in January.
- e. Day Care Licensing.** This program received a GF/GP reduction resulting from early retirement and attrition. The licensing functions in this line will be increasingly covered with Federal Child Care and Development Fund block grant dollars. The Federal funds are available under a Quality Initiative program which includes inspection activities as an allowable expense but does not require a match.
- f. Office of Fire Safety.** A reduction in GF/GP support was accomplished through the use of a balance in the Fire Service Fee restricted fund account. These restricted funds were appropriated in a contingency fund transfer and supplanted the GF/GP funding.

Gross	(436,400)
GF/GP	(436,400)
Gross	(79,636)
GF/GP	(79,636)
Gross	(24,300)
GF/GP	(24,300)
Gross	(15,900)
GF/GP	(15,900)
Gross	(955,000)
GF/GP	(955,000)
Gross	(665,200)
GF/GP	(665,200)

C. CONTINGENCY FUNDS

State Budget Office Letter 2-19-03

Office of Fire Safety. Due to the fund shift described above, the Department needed additional restricted fund authority to spend the funding from this account. This transfer provided that authority to effect the GF/GP reduction.

Gross	665,200
Restricted	665,200
GF/GP	0

D. TRANSFERS

State Budget Office Letter 12-05-02

- | | | |
|---|----------------|--------|
| 1. Budgetary Savings. The enacted budget included a negative appropriation unit that equated to a 1% or \$379,900 reduction. This reduction was applied to various line items through a legislative transfer. | Gross
GF/GP | 0
0 |
| 2. Early Retirement Savings. The enacted budget included a negative appropriation unit to account for savings that would be realized from the unfilled vacancies that resulted from the early retirement legislation. The savings totaled \$1,631,700 and were applied to the affected line items through a legislative transfer. | Gross
GF/GP | 0
0 |
| 3. Budgetary Savings Included in E.O. 2002-22. In addition to the above-mentioned reductions, additional cuts were required to balance the budget pursuant to a revision in the revenue estimates. These reductions, which totaled \$899,400, were applied to various line items through a legislative transfer. Most of these reductions were made to the Day Care Licensure program (\$403,400) and the Information Technology line (\$463,000). | Gross
GF/GP | 0
0 |

DEPARTMENT OF CORRECTIONS

The initial appropriation was contained in Public Act 524 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	18,827.9	18,827.9
Gross	1,705,870,600	1,687,056,831
IDG	3,318,500	3,318,500
Federal	26,403,400	27,793,400
Local	391,100	391,100
Private	0	0
Restricted	55,490,600	55,750,600
GF/GP	1,620,267,000	1,599,803,231

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

a. Administrative Savings. Reductions of \$350,000 were made to the Executive Direction, Administrative Services, Health Care Administration, and Information Technology Services lines for savings from unfilled vacancies. The Department of Corrections (DOC) also reorganized Human Resources and Academic/Vocational principal positions for savings of \$300,000 and \$250,000, respectively.	Gross	(900,000)
	GF/GP	(900,000)
b. Facility Vacancies. The DOC held vacancies in facilities unfilled to save \$5,856,800. This also allowed the DOC to delay a new employee training school for further savings of \$1,500,000.	Gross	(7,356,800)
	GF/GP	(7,356,800)
c. Community Corrections. The length of stay in probation residential centers was limited, resulting in savings of \$1,312,000, and the public education and training line was reduced by \$20,000. County Jail Reimbursement funds were reduced by \$800,000 due to lower local participation rates, and Comprehensive Plans and Services funds were reduced by \$27,000 to eliminate funds that were not awarded.	Gross	(2,159,000)
	GF/GP	(2,159,000)
d. Other Reductions. Additional reductions included \$511,700 in mental health services, \$500,000 in excess vaccination funding, \$225,000 in excess funding for employee drug tests, \$200,000 for a change in the offender drug testing contract, and \$490,000 to eliminate a bed increase at the Bellamy Creek Correctional Facility. A fund shift of \$260,000 from increased public works crew user fees further reduced GF/GP funding.	Gross	(2,186,700)
	GF/GP	(2,186,700)

2. Executive Order 2003-3

a. Administrative Savings. The DOC achieved administrative savings in all of the facility line items by continuing to hold vacancies unfilled in prisons and camps.	Gross	(6,000,000)
	GF/GP	(6,000,000)
b. Community Corrections. The comprehensive plans and services line was further reduced to bring the total reduction for the year to 5%.	Gross	(624,700)
	GF/GP	(624,700)
c. Fleet Savings. This reduction was related to reducing the number of vehicles assigned to the Department and making more efficient use of the State fleet.	Gross	(78,000)
	GF/GP	(78,000)
d. Information Technology Savings. The interdepartmental grant to the Department of Information Technology was decreased through reductions in vendor and data center rates, as well as cuts in equipment, contractual services, and application support.	Gross	(1,158,569)
	GF/GP	(1,158,569)

C. CONTINGENCY FUNDS

1. State Budget Office Letter 12-05-02

Public Works User Fees. To offset part of the reduction in GF/GP funds made by Executive Order 2002-22, the DOC increased the public works daily rate charged to users of these services from \$6 to \$8 per eight-hour prisoner work day. This transfer recognized the additional available State restricted revenue.	Gross	260,000
	Restricted	260,000
	GF/GP	0

2. State Budget Office Letter 6-02-03

a. Michigan Youth Correctional Facility. Additional Federal Violent Offender Incarceration/Truth in Sentencing funding was used to provide for increased costs at the Michigan Youth Correctional Facility, for which the DOC has a management contract with the Wackenhut Corrections Corporation. The added costs were due to increases in the population capacity from 450 to 480 in January 2003 and in the per diem rate in the management contract, which was renewed in July 2003, from \$70.38 to \$75.81 per offender.	Gross	990,000
	Federal	990,000
	GF/GP	0
b. Federal Education Grant. The DOC received Federal Office of Justice Programs funding for the Serious and Violent Offender Reintegration Initiative to help reduce offender recidivism rates.	Gross	400,000
	Federal	400,000
	GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 12-05-02

Early Retirement Savings. In order to satisfy the \$7.6 million negative appropriation for early retirement savings, funds were transferred from multiple lines within the DOC once the appropriate saving from each was identified.	Gross	0
	GF/GP	0

2. State Budget Office Letter 6-02-03

- | | | |
|--|----------------|--------|
| a. Charles Egeler Reception Center. This transfer provided \$5.7 million for a full issue of prisoner clothing during intake at the reception center. Previously, some clothing was issued at reception, while the rest was issued later at other facilities. Funding also provided \$500,000 to relieve a personnel shortfall in C-unit, which houses prisoners with extensive medical needs. Funding was available due to staff vacancies, Department-wide efficiencies, and the need for fewer than anticipated corrections officer recruit schools. | Gross
GF/GP | 0
0 |
| b. Planning, Research, and Records. This transfer provided \$850,000 to cover a historical shortfall in the research and records operations. Funding was available due to staff vacancies at the Newberry and Cooper Street Correctional Facilities. | Gross
GF/GP | 0
0 |
| c. Inmate Legal Services. Pursuant to court order in the Federal <i>Knop v Johnson</i> case, the DOC expanded the legal writer services to six additional prisons at a cost of \$360,000. The program provides minimal access to courts for prisoners who are unable to draft and file legal pleadings themselves. Funding was available due to vacancies at the Deerfield and Pine River Correctional Facilities. | Gross
GF/GP | 0
0 |
| d. Training Facility Rent. This transfer provided \$250,000 for increased rental costs at the DeMarse Training Academy, which the DOC leases from the Department of Education. The rent was increased in FY 2001-02 without an adjustment to the Corrections budget. Funding was available due to the need for fewer-than-anticipated corrections officer recruit schools. | Gross
GF/GP | 0
0 |
| e. Housing Inmates in Federal Institutions. Due to the increase in the per diem rate charged by the Federal Bureau of Prisons for housing State inmates in Federal prisons from \$69.23 to \$73.88 per offender, this line had a shortfall of \$240,000. Funding was available for the transfer as a result of staff vacancies at the Pine River Correctional Facility. | Gross
GF/GP | 0
0 |

3. State Budget Office Letter 9-17-03

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|--|----------------|--------|
| a. Administrative Costs. This transfer provided funding to relieve shortfalls in three administrative lines: \$200,000 in Administrative Services, \$500,000 in Training Administration, and \$320,000 in Correctional Facilities Administration. It covered unfunded retirement rate increases, increased rental costs, and historically underfunded prisoner extradition costs. Funds were available due to personnel vacancies as well as surpluses in training and workers' compensation. | Gross
GF/GP | 0
0 |
| b. State Restricted Funding Shortfalls. This transfer covered shortfalls of \$2,450,000 in program participant, resident contribution, and public works fees that support Field Operations programs, as well as the \$2,000,000 shortfall in telephone fees and commissions that support the County Jail Reimbursement Program. Funding was available due to spending restrictions and vacancies in multiple line items as well as a surplus in training due to the reduced need for new employees schools. | Gross
GF/GP | 0
0 |

<p>c. Facility Adjustments. The DOC transferred \$7,365,000 from those facilities that had achieved savings through vacancies and efficiencies to those that faced shortfalls due to the unfunded retirement rate increase and changes in staffing seniority.</p>	<p>Gross 0 GF/GP 0</p>
<p>d. Health Care. This transfer provided \$1,000,000 for the Northern region clinical complexes, which have been historically underfunded. Funding was available from other health care lines due to vacancies, spending restrictions, and the need for fewer vaccines as a result of fewer new employees.</p>	<p>Gross 0 GF/GP 0</p>
<p>4. State Budget Office Letter 9-18-03</p>	
<p>Court Settlements. This \$709,600 administrative transfer provided for various court settlement costs. Funding was available due to vacancies and operational efficiencies in multiple lines.</p>	<p>Gross 0 GF/GP 0</p>
<p>5. State Budget Office Letter 10-30-03</p>	
<p>Technical Adjustment. This \$489,600 administrative transfer adjusted the previous administrative transfer by increasing the transfers out of the Kinross and Ojibway Correctional Facilities and eliminating the transfer out of the Mound Correctional Facility. This adjustment was necessary to correct sources and amounts from the original transfer that were in error.</p>	<p>Gross 0 GF/GP 0</p>

DEPARTMENT OF EDUCATION

The initial appropriation was contained in Public Act 522 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	436.1	436.1
Gross	215,490,700	216,154,016
IDG	1,000,000	1,000,000
Federal	165,694,100	166,260,200
Local	4,744,200	4,744,200
Private	701,400	701,400
Restricted	14,329,300	14,430,000
GF/GP	29,021,700	29,018,216

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 746 of 2002

School Breakfast. A supplemental appropriation was needed to provide full funding of anticipated reimbursements to school districts in the School Breakfast program.

Gross	1,500,000
GF/GP	1,500,000

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

Administrative Savings. This Executive Order needed an unidentified total reduction of 2.5% of the adjusted General Fund appropriation, which was later identified and implemented via transfers dated December 5, 2002.

Gross	(419,300)
GF/GP	(419,300)

2. Executive Order 2003-3

a. Administrative Fund Shifts. This E.O. included a total reduction of \$1,084,184 in General Fund support spread among several operational line items. Of this total, \$666,800 was replaced with Federal and restricted contingency funds proposed (and later approved) in a transfer letter dated February 19, 2003. Further, \$235,000 from accreditation funding in the School Aid Act was used for operational support in the Department, and \$35,000 in Federal Reading First funds was used to support the Office of School Excellence.

Gross	(1,084,184)
GF/GP	(1,084,184)

- b. **Reductions in Travel and CSS&M.** Of the total reduction in E.O. 2003-3, \$76,700 was obtained by reducing allotments for travel and contractual services, supplies, and materials.
- c. **Information Technology Savings.** The total reduction in E.O. 2003-3 included \$44,484 from the allotment for information technology, to be achieved by reducing the demand for application support, eliminating system enhancements, streamlining organization, and implementing other efficiencies.
- d. **Workers' Compensation.** A saving of \$25,000 was realized in E.O. 2003-3 in the Workers' Compensation line item because of an anticipated decline in claims.
- e. **Fleet Savings.** A reduction of \$1,200 was included for fleet savings.

C. CONTINGENCY FUNDS

State Budget Office Letter 2-19-03

Administrative Savings. A series of contingency fund transfers affecting several operational line items was approved, in order to replace General Fund support that was reduced in E.O. 2003-03.

Gross	666,800
Federal	566,100
Restricted	100,700
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 12-5-02

- a. **Early Retirement and Budgetary Savings.** The enacted appropriation bill included a negative reduction of \$301,200 for budgetary savings, which totaled 1% of the General Fund appropriations in the budget. A series of transfers was adopted to allocate that reduction among various line items. Similarly, the enacted appropriation contained a negative reduction of \$721,900 for early retirement savings, which was later identified by line item through this transfer letter.
- b. **Terminal Leave Payments.** Due to the early retirement program, funding in the terminal leave payments line item needed to be increased, and therefore this transfer letter recommended transfers from a series of line items in order to fund fully the terminal leave payments to early retirees.
- c. **Additional Budgetary Savings from E.O. 2002-22.** Executive Order 2002-22 included additional negative budgetary savings that equated to 2.5% of the General Fund appropriations in the budget, or \$419,300. This transfer letter allocated the reductions among several operational line items.

2. State Budget Office Letter 10-30-03

Administrative Transfer for Terminal Leave Payout. An administrative transfer was requested and approved to cover a terminal leave payout for a recently retired employee, the cost of which was higher than previously anticipated.

3. State Budget Office Letter 10-31-03

Building Occupancy Charges. Due to prior-year shifts of Federal funds that affected the sources of funding for staff, this transfer was needed to reflect more accurately the current sources of funding in the line.

DEPARTMENT OF ENVIRONMENTAL QUALITY

The initial appropriation was contained in Public Act 520 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	1,590.7	1,590.7
Gross	405,289,600	409,136,461
IDG	14,042,900	14,042,900
Federal	131,521,400	133,445,500
Local	0	0
Private	435,700	435,700
Restricted	186,857,100	194,559,100
GF/GP	72,432,500	66,653,261

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 746 of 2001

- a. **Retired Engineers Technical Assistance Program (RETAP).** This program uses retired engineers, scientists, and other technical professionals to provide businesses with free, confidential, on-site pollution prevention and energy assessments. The funding was provided from the Retired Engineers Technical Assistance Fund, which received a portion of the revenue from the Clean Michigan Initiative Bond Program.
- b. **Office of the Great Lakes.** This supplemental appropriation replaced General Fund dollars eliminated by Executive Order 2002-22 with revenue available from the balance of the Great Lakes Protection Fund. With this appropriation, there was no net change to the appropriation for the Office of the Great Lakes as a result of the Executive Order.

Gross	1,500,000
Restricted	1,500,000
GF/GP	0

Gross	400,000
Restricted	400,000
GF/GP	0

2. Public Act 173 of 2001

- a. **Scrap Tire Grants.** Scrap tire grants assist property owners with the proper removal of scrap tires that have accumulated or been abandoned. A portion of the grant funding is used for suppression of scrap tire fires, as needed. The fee for disposal of scrap tires was increased from 50 cents per tire to \$1.50 per tire by Public Act 497 of 2002. As a result, increased revenue is available in the Scrap Tire Regulatory Fund to support these grants. The additional revenue also is included in the FY 2003-04 initial appropriation act.

Gross	2,500,000
Restricted	2,500,000
GF/GP	0

- b. Lead Abatement Effectiveness Program.** A placeholder of General Fund dollars was added in a supplemental appropriation to establish an incentive program for local lead abatement programs. The funding would be distributed to local programs, with priority given to programs with high abatement and child testing rates.

Change from FY 2002-03 Initial Appropriation	
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Gross	100
GF/GP	100

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

- a. General Fund Reductions.** General Fund appropriations were reduced by this Executive Order to meet revised revenue estimates. The reductions were applied to specific line items through a legislative transfer included in the State Budget Office letter of 12-5-02.
- b. Office of the Great Lakes Reduction.** A General Fund reduction was implemented in this line in order to meet reduced revenue estimates. The funding was later replaced with revenue from the Great Lakes Protection Fund in a supplemental appropriation, resulting in no net change to the program.

Gross	(1,810,800)
GF/GP	(1,810,800)

Gross	(400,000)
GF/GP	(400,000)

2. Executive Order 2003-3

- a. Coastal Management Matching Funds Shift.** State General Fund dollars used as matching funds for Federal funding were reduced for the Coastal Management program. State restricted funds were used instead to fulfill the match requirement. Sufficient appropriations of land and water management fees already had been authorized to satisfy the Federal requirement.
- b. Nonpoint Source Pollution Matching Funds Shift.** State General Fund dollars used as matching funds for Federal funding were reduced for the Watershed Management and Nonpoint Source Pollution Control program. State restricted funds were used instead to fulfill the match requirement, and sufficient appropriations of land and water management fees already had been authorized to satisfy the Federal requirement.
- c. Leaking Underground Storage Tank Cleanup Fund Shift.** General Fund dollars were reduced for cleanup projects addressing leaking underground storage tanks. Revenue from the Cleanup and Redevelopment Fund offset the General Fund reduction in a contingency fund transfer, described below.
- d. Laboratory Services.** General Fund support for the testing of samples sent to the environmental laboratory was reduced. This reduction was a first step toward charging laboratory expenses to the sites and cleanup projects sending samples for testing. In a contingency fund transfer, described below, the General Fund dollars were replaced with Clean Michigan Initiative funding from related cleanup sites.

Gross	(50,000)
GF/GP	(50,000)

Gross	(75,000)
GF/GP	(75,000)

Gross	(2,897,100)
GF/GP	(2,897,100)

Gross	(315,600)
GF/GP	(315,600)

- e. **Fleet Savings.** Statewide, underused vehicles were eliminated and the General Fund savings were reflected in individual department budgets. For the Department of Environmental Quality, the savings are spread through five different divisions.
- f. **Information Technology Savings.** On a statewide basis, \$10,000,000 General Fund was eliminated for information technology services. The savings were achieved through changes to application support, reduction of system enhancements, the streamlining of organizations, and infrastructure consolidation. The General Fund savings were reflected in individual department budgets.

**Change from FY 2002-03
Initial Appropriation**

Gross	(25,600)
GF/GP	(25,600)

Gross	(205,239)
GF/GP	(205,239)

C. CONTINGENCY FUNDS

1. State Budget Office Letter 12-5-02

Laboratory Services. This transfer enabled the Department to use available laboratory fee revenues to offset a portion of the General Fund reduction in Executive Order 2002-22.

Gross	89,300
Restricted	89,300
GF/GP	0

2. State Budget Office Letter 2-19-03

a. **Laboratory Services.** This transfer is related to Executive Order 2003-3 and continued the trend of using restricted funds to support laboratory activities. It replaced eliminated General Fund dollars with Clean Michigan Initiative funds by charging established testing fees to the contaminated sites that sent samples to the environmental laboratory for testing.

Gross	315,600
Restricted	315,600
GF/GP	

b. **Leaking Underground Storage Tank Cleanup Funding.** This transfer replaced General Fund dollars removed by Executive Order 2003-3 with money from the Cleanup and Redevelopment Fund. Contaminated site cleanup priorities were not affected.

Gross	2,897,100
Restricted	2,897,100
GF/GP	0

3. State Budget Office Letter 6-2-03

a. **Drinking Water Federal Funds.** This contingency fund transfer appropriated additional Federal grants funds for two purposes. Of the total transfer amount, \$340,000 was for the implementation of a data system to track operator certification compliance information for noncommunity public drinking water systems. The remaining \$360,000 was related to Federal Homeland Security initiatives and used in communities with populations less than 100,000 for the training of staff at public water facilities in security procedures and the revision and development of emergency response plans.

Gross	700,000
Federal	700,000
GF/GP	0

- b. Electronic Reporting Pilot Program.** Federal Environmental Protection Agency (EPA) grant funding was available for the further development of a pilot program to allow for the electronic submittal of daily and monthly National Pollutant Discharge Elimination System (NPDES) monitoring reports in lieu of the current process of paper submissions. The reports are reviewed by the Department and submitted to the EPA electronically.
- c. Great Lakes Federal Funding.** This contingency fund transfer appropriated additional Federal Department of the Interior, Geological Survey funding for projects aimed at preventing and controlling the spread of aquatic nuisance species in the Great Lakes, including reporting on ballast water and the development of an aquatic nuisance management plan.

Change from FY 2002-03 Initial Appropriation	
Gross	1,156,000
Federal	1,156,000
GF/GP	0
Gross	68,100
Federal	68,100
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 12-5-02

- a. Early Retirement Savings.** The FY 2002-03 initial budget act contained a negative appropriation for General Fund savings from the State's 2002 early retirement program offered in April 2002. This transfer implemented the reductions in specific line items to reflect the savings in particular programs, pursuant to a language section directing the Department to request this action. The transfer distributed \$1,481,000 in savings to 21 different line items.
- b. Budgetary Savings.** The FY 2002-03 initial budget act contained a negative appropriation to meet reduced estimates of General Fund revenue to the State. This transfer implemented the reductions in specific line items to reflect the savings in particular programs, pursuant to a language section directing the Department to request this action. The transfer applied \$746,600 in savings to 34 different line items. This amount represents a 1% General Fund reduction.
- c. Executive Order Budgetary Savings.** To implement General Fund savings included in Executive Order 2002-22, a negative appropriation of \$1,810,800 was applied to 27 different line items to meet reduced estimates of General Fund revenue to the State. This amount represents a 2.5% General Fund reduction. Where available, General Fund dollars may have been replaced with State restricted funds through supplemental appropriations and transfers.

2. State Budget Office Letter 9-17-03

Information Technology and Federal Funds Shift. Pursuant to a cost allocation plan, additional information technology costs may be assigned to Federal funds, making State restricted funds available for other purposes. Two legislative transfers combined for the Department of Environmental Quality to shift appropriation authorization between Federal and State restricted funds to reflect the cost allocation plan. While \$330,000 of spending authorization was affected, the gross appropriation of all lines and fund sources remained unchanged.

EXECUTIVE OFFICE

The initial appropriation was contained in Public Act 528 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	74.2	74.2
Gross	5,399,500	5,021,500
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	0	0
GF/GP	5,399,500	5,021,500

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

Due to revised revenue estimates, the Governor issued Executive Order 2002-22 to bring appropriations in line with projected revenues. The Executive Order reduced the General Fund appropriation for the Executive Office by 2.5%, excluding State Officers Compensation Commission items, by increasing the budgetary savings line item, and requiring legislative transfers to implement the reduction.

Gross	(125,500)
GF/GP	(125,500)

2. Executive Order 2003-3

Administrative Savings. The Executive Office covered this reduction by not filling vacancies and applying other efficiencies.

Gross	(252,500)
GF/GP	(252,500)

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS

State Budget Office Letter 12-05-02

- Early Retirement Savings.** The initial appropriation included a line item reduction of \$36,600 related to savings from early retirement legislation (Public Act 93 of 2002).

Gross	0
GF/GP	0

2. **Budgetary Savings Included in Initial Appropriation.** The initial appropriation included a line item reduction of \$50,300 for budgetary savings. The transfer allocated the reduction to specific line items.
3. **Budgetary Savings Related to Executive Order 2002-22.** This transfer allocated the \$125,500 reduction contained in Executive Order 2002-22 to specific line items.

Change from FY 2002-03 Initial Appropriation	
Gross	0
GF/GP	0
Gross	0
GF/GP	0

FAMILY INDEPENDENCE AGENCY

The initial appropriation was contained in Public Act 529 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	12,495.1	12,495.1
Gross	4,074,490,500	4,147,349,600
IDG	978,800	978,800
Federal	2,754,318,050	2,869,981,450
Local	66,956,700	66,956,700
Private	9,856,850	9,856,850
Restricted	65,388,800	84,490,700
GF/GP	1,176,991,300	1,115,085,100

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 746 of 2002

- a. **Foster Care.** The Act provided additional Federal Temporary Assistance to Needy Families (TANF) authority for a funding shift from GF/GP funds for emergency foster care services in the Foster Care and Wayne County Foster Care Payments and Child Care Fund appropriations.

Gross	0
Federal	27,000,000
GF/GP	(27,000,000)

- b. **Language Section.** Two Department district office locations in Wayne County, the Highland Park Pitkin and Warren/Conner, are closed. Section 1401 provided that no funds could be spent for this office space, therefore allowing termination of the leases.

2. Public Act 39 of 2003

- Energy Assistance.** The Act provided a 10% increase in the Federal Low Income Home Energy Assistance Program (LIHEAP) funding authority to a total of \$94,267,700. The funds are used to assist low-income clients with heating and other energy-related costs.

Gross	8,400,000
Federal	8,400,000
GF/GP	0

3. Public Act 173 of 2003

- a. **Energy Assistance.** The Act provided an 11.5% increase in Federal LIHEAP funding authority to a total of \$105,100,000. The U.S. Department of Health and Human Services released additional funds to help low-income clients with energy costs.

Gross	10,832,300
Federal	10,832,300
GF/GP	0

b. Child Support Automation. The Act provided additional Federal Title IV-D funding authority and child support incentive payments for the implementation and certification of the Federally mandated Michigan Child Support Enforcement System (MiCSES).

Gross	41,588,700
Federal	27,468,500
Restricted	14,120,200
GF/GP	0

c. Language Section. A change included in the language section (Sec. 371) increased from \$10,415,700 to \$29,517,600 the amount of Federal child support incentive payments that the State may retain and spend for legal support contracts, child support program expenses, and the MiCSES.

4. Public Act 172 of 2003

a. Transitional Work Support. The Act provided Federal funds for the program intended to remove a work disincentive for families whose Family Independence Program case closes within 90 days of opening due to employment.

Gross	3,000,000
Federal	3,000,000
GF/GP	0

b. State Disability Assistance Payments. The Act provided Federal funds for increased caseload.

Gross	4,300,000
Federal	4,300,000
GF/GP	0

c. Child Support Automation. The Act provided Federal funds for the implementation and certification of the Federally mandated Michigan Child Support Enforcement System.

Gross	8,785,700
Federal	8,785,700
GF/GP	0

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

Budgetary Savings. The Executive Order contained a reduction equal to .7% of the adjusted GF/GP appropriation to reflect administrative savings.

Gross	(8,031,000)
GF/GP	(8,031,000)

2. Executive Order 2003-03

a. Child Care Fund. The Executive Order contained a GF/GP reduction for budget savings. A contingency fund transfer provided Federal TANF funds to compensate for the reduction.

Gross	(17,304,400)
GF/GP	(17,304,400)

b. Juvenile Justice Operations. Savings resulted from elimination of underused vehicles, a delay in filling two positions, and other administrative efficiencies.

Gross	(297,300)
Federal	(125,600)
GF/GP	(171,700)

c. Demonstration Projects. A reduction of 5% was taken from grants appropriated in this appropriation line.

Gross	(393,000)
Federal	(334,200)
GF/GP	(58,800)

d. Commission For The Blind. Savings resulted from underutilization of vehicles.	Gross Federal GF/GP	(33,500) (26,400) (7,100)
e. Legal Support Contracts. The Executive Order included a 5% reduction in the GF/GP portion of the Department's contract with Friends of the Court and prosecuting attorneys to provide paternity and other child support-related activities.	Gross GF/GP	(153,800) (153,800)
f. Employment and Training Support Services. A reduction in training, meetings and other administrative activities funded in this line resulted in savings.	Gross GF/GP	(750,000) (750,000)
g. Wage Employment Verification Reporting. An appropriation funding lapse of 12% was included in the Executive Order.	Gross Federal GF/GP	(262,700) (162,700) (100,000)
h. Training and Staff Development. Savings resulted from the elimination of underused vehicles, discontinuation of the Department's cost share in Civil Service leadership training, and an EDS personal computer training contract reduction.	Gross Federal GF/GP	(399,600) (265,200) (134,400)
i. Foster Care Payments. The Executive Order contained a reduction in the Michigan Foster Care and Adoptive Parent Association contract, which mainly eliminated foster parent mentoring and administrative services.	Gross Federal GF/GP	(898,200) (598,200) (300,000)
j. Youth In Transition. A 5% reduction was taken in private agency contracts for homeless and runaway youth services and Department local office allocations for services to youth 16 to 20 years of age supervised by the Family Independence Agency.	Gross Federal GF/GP	(385,000) (236,000) (149,000)
k. Domestic Violence Prevention and Treatment. The Executive Order included a 5% reduction in the GF/GP portion of grants to community agencies for domestic violence services.	Gross GF/GP	(50,000) (50,000)
l. Travel. Savings resulted from underutilization of vehicles.	Gross Federal GF/GP	(647,200) (438,400) (208,800)
m. Information Technology Services and Projects. The Executive Order included savings from reductions in vendor and data center rates, equipment, contractual services, application support, and supplies and materials.	Gross Federal GF/GP	(4,378,200) (2,896,600) (1,481,600)
n. Data Systems Enhancement. Savings resulted from vendor and data center rates, equipment, contractual services, application support, and supplies and materials.	Gross GF/GP	(837,500) (485,300) (352,200)
o. Salaries and Wages. Savings resulted from delays in filling a total of 194 vacant Department positions in the following appropriation units:	Gross Federal GF/GP	(9,603,200) (6,126,700) (3,476,500)

- i. 16 positions in Executive Operations.
- ii. 5 positions in Family Independence Services Administration.
- iii. 10 positions in Child and Family Services.
- iv. 2 positions in Juvenile Justice Operations.
- v. 161 positions in Local Office Field Staff.

p. Payroll Taxes and Fringe Benefits. The Executive Order included fringe benefit cost savings from delays in filling 194 vacant Department positions.	Gross	(4,009,400)
	Federal	(2,591,100)
	GF/GP	(1,418,300)
q. Contractual Services, Supplies and Materials. Savings resulted from administrative efficiencies, reductions in small program evaluation contracts, and telecommunications efficiencies.	Gross	(2,059,900)
	Federal	(1,385,900)
	GF/GP	(674,000)

C. CONTINGENCY FUNDS

1. State Budget Office Letter 12-05-02

a. Child Support Automation. Executive Order 2002-22 was satisfied in part by a reduction in the Child Support Automation account. The transfer replaced the reduced funds through retention and expenditure of additional Federal incentive payments for the implementation of the MiCSES.	Gross	4,981,700
	Restricted	4,981,700
	GF/GP	0
b. Budgetary Savings. The transfer provided GF/GP funds from the following appropriation accounts to satisfy the budgetary savings appropriation in Executive Order 2002-22.	Gross	(5,213,900)
	Federal	(5,213,900)
	Gross	0
i. Juvenile Justice Operations. The transfer provided \$217,000 to satisfy the reduction. School Aid Foundation Allowance funds were available for education services for youth in Department-operated facilities.		
ii. Day Care Services. A transfer of \$2,832,300 from this account was available from a 6% reduction in relative home day care reimbursement rates for nine months and not accepting new day care reimbursement applications from families with gross incomes above 150% of poverty. In addition, the policy changes resulted in savings of \$5,213,900 in Federal fund authority.		
iii. Child Support Automation. A reduction of \$4,981,700 was used to satisfy the budgetary savings appropriation. A contingency fund transfer of Federal Child Support Incentive Funds was approved to replace the reduced funds.		

2. State Budget Office Letter 2-19-03

Child Care Fund. The transfer provided additional Federal TANF funding authority to restore the E.O. 2003-03 reduction in GF/GP funds.

Gross	13,400,000
Federal	13,400,000
GF/GP	0

3. State Budget Office Letter 6-02-03

a. Foster Care Payments. The transfer provided additional Federal Title IV-E funds for a funds shift, resulting in GF/GP savings. The Federal funds exceeded the original appropriated amount.

Gross	4,000,000
Federal	4,000,000
GF/GP	0

b. Adoption Support Services. Additional Federal Adoption Incentive Award funds would have lapsed to the Federal government if not spent by September 30, 2003. The transfer provided additional funding authority to prevent the loss of funds.

Gross	1,277,600
Federal	1,277,600
GF/GP	0

c. Children's Trust Fund Grants and Administration. The transfer enabled the Department to receive and spend the full amount of available Federal Community-Based Family Resource and Support funds (Title II of the Child Abuse and Prevention Treatment Act).

Gross	103,100
Federal	103,100
GF/GP	0

d. Child Support Automation. The transfer provided additional Federal Title IV-D funding authority for MiCSES implementation.

Gross	17,054,600
Federal	17,054,600
GF/GP	0

e. Child Support Distribution Computer System. The transfer provided additional Federal Title IV-D funding authority in order for the Department to receive and spend the funds for the Federally mandated distribution system.

Gross	6,361,700
Federal	6,361,700
GF/GP	0

f. Weatherization Program. The transfer provided additional U.S. Department of Energy Weatherization grant authorization in order for the Family Independence Agency to receive and spend all of the available Program Year 2003 award from the U.S. Department of Energy. The funds are used for assistance to low-income clients for home weatherization costs.

Gross	4,481,500
Federal	4,481,500
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 12-05-02

a. Early Retirement Savings. The transfer satisfied the \$21,301,700 early retirement savings appropriation. The Department lost 2,689 employees due to early retirement and was given permission to rehire 900 individuals, approximately 33% of employees lost. Funds were transferred from salaries and wages and other related appropriation accounts that contain full time equated positions to satisfy the deduction.

Gross	0
GF/GP	0

b. Budgetary Savings. The transfer satisfied the \$8,726,500 negative appropriation through savings from the State-mandated hiring freeze, administrative efficiencies, and a series of other budget changes. These GF/GP changes include:

Gross	0
GF/GP	0

- i. A reduction of \$1,152,000 in the Juvenile Justice Operations and Volunteer Services accounts associated with facility census and staffing cost reductions.
- ii. The elimination of the Supplemental Security Income Advocates Program, for a reduction of \$626,500.
- iii. The elimination of the Department's financial contribution and support services for the Child Death Review Team, for a reduction of \$250,000.
- iv. A reduction in the Foster Care Payments account of \$917,000 in contracts for foster family recruitment and the Michigan Foster and Adoptive Parents Association contract, and a policy change that put a cap on difficulty of care rates.
- v. A reduction in the Wayne County Foster Care Payments account of \$125,000 for a policy change that put a cap on difficulty of care rates.
- vi. Savings in the Rent account of \$280,300 associated with office closures that were the result of local office consolidations.
- vii. A lapse in the State Emergency Relief account of \$2,654,500 due to higher Federal claims; a 7.7%, or \$1 reduction in the homeless shelter per diem rate to \$12; and reductions in emergency food and shelter contracts.
- viii. A reduction in the Day Care Services account of \$1,291,500 through implementation of a 3% reimbursement rate reduction for relative providers effective for eight months.
- ix. A reduction of \$239,000 in the Volunteer Services and Reimbursement account from restructured staffing patterns and control of program administrative and local office costs for volunteer reimbursement.
- x. A reduction of \$1,190,700 in the Information Technology Services and Projects account.

2. State Budget Office Letter 6-02-03

a. Child Care Fund. The transfer provided \$10,500,000 Gross and GF/GP in additional funding authorization for local county reimbursement for increased placement services to youth. The funding authority was transferred from the Foster Care Payments and Wayne County Foster Care Payments accounts.

Gross	0
Federal	0
GF/GP	0

b. Occupancy Charge. The transfer provided \$250,000 Gross, \$92,100 GF/GP in additional authorization to meet State-owned buildings occupancy charges. The funding authority was transferred from the Rent account.

Gross	0
Federal	0
GF/GP	0

<p>c. Payroll Taxes and Fringe Benefits. The transfer provided additional authorization of \$22,873,000 Gross, \$8,323,800 GF/GP for increased costs of severance payments related to early retirement. The funding authority was transferred from all salaries and wages and other accounts that contained staff funding.</p>	<table> <tr><td>Gross</td><td>0</td></tr> <tr><td>Federal</td><td>0</td></tr> <tr><td>GF/GP</td><td>0</td></tr> </table>	Gross	0	Federal	0	GF/GP	0
Gross	0						
Federal	0						
GF/GP	0						
<p>3. State Budget Office Letter 7-09-03</p>							
<p>Day Care Services. A \$35,127,700 Gross, \$0 GF/GP increase in TANF funding authority was transferred from the Homestead Property Tax Credit for Low-income Families account. The funds covered the increased cost per case and the additional number of cases receiving payment reimbursement.</p>	<table> <tr><td>Gross</td><td>0</td></tr> <tr><td>Federal</td><td>0</td></tr> <tr><td>GF/GP</td><td>0</td></tr> </table>	Gross	0	Federal	0	GF/GP	0
Gross	0						
Federal	0						
GF/GP	0						
<p>4. State Budget Office Letter 9-17-03.</p>							
<p>a. Local Office Staff and Operations, Contractual Services, Supplies and Materials. The transfer provided \$387,100 Gross, \$247,100 GF/GP from the Field Staff, Salaries and Wages account for local office funding shortages in postage expenses and physical and psychological examinations for disability, protective services, and foster care cases due to increased caseloads.</p>	<table> <tr><td>Gross</td><td>0</td></tr> <tr><td>Federal</td><td>0</td></tr> <tr><td>GF/GP</td><td>0</td></tr> </table>	Gross	0	Federal	0	GF/GP	0
Gross	0						
Federal	0						
GF/GP	0						
<p>b. Occupancy Charge. Federal claims were denied for a vacant section of the rental space used for Disability Determination Services (DDS) in the Cadillac Place office, Wayne County. The transfer provided \$428,700 Gross, \$0 GF/GP to cover costs that were formerly charged to the DDS account.</p>	<table> <tr><td>Gross</td><td>0</td></tr> <tr><td>Federal</td><td>0</td></tr> <tr><td>GF/GP</td><td>0</td></tr> </table>	Gross	0	Federal	0	GF/GP	0
Gross	0						
Federal	0						
GF/GP	0						
<p>c. Travel. The transfer provided \$248,000 Gross, \$62,000 GF/GP from the Payroll Taxes and Fringe Benefits account for Department local office staff, particularly children's protective services and foster care workers traveling as an integral part of their employment responsibilities.</p>	<table> <tr><td>Gross</td><td>0</td></tr> <tr><td>Federal</td><td>0</td></tr> <tr><td>GF/GP</td><td>0</td></tr> </table>	Gross	0	Federal	0	GF/GP	0
Gross	0						
Federal	0						
GF/GP	0						
<p>d. State Disability Assistance Payments. The transfer provided \$360,100 Gross and GF/GP from the Family Independence Program account in additional funds for an average monthly cost-per-case increase of \$3, to \$243 per case.</p>	<table> <tr><td>Gross</td><td>0</td></tr> <tr><td>Federal</td><td>0</td></tr> <tr><td>GF/GP</td><td>0</td></tr> </table>	Gross	0	Federal	0	GF/GP	0
Gross	0						
Federal	0						
GF/GP	0						
<p>e. Day Care Services. The transfer provided \$6,509,600 in Federal TANF funding authority from the Homestead Property Tax Credit for Low-income Families account in additional funds for an average monthly cost-per-case increase of \$14, to \$593 per case.</p>	<table> <tr><td>Gross</td><td>0</td></tr> <tr><td>Federal</td><td>0</td></tr> <tr><td>GF/GP</td><td>0</td></tr> </table>	Gross	0	Federal	0	GF/GP	0
Gross	0						
Federal	0						
GF/GP	0						
<p>5. State Budget Office Letter 10-31-03</p>							
<p>a. Community Services Block Grants (CSBG). A Federal fund authority of \$2,295,800 was transferred from the Project Zero account. Additional unanticipated Federal CSBG funds from FY 2001-02 were carried forward and the additional authorization was necessary to allocate the funds to Community Action Agencies.</p>	<table> <tr><td>Gross</td><td>0</td></tr> <tr><td>Federal</td><td>0</td></tr> <tr><td>GF/GP</td><td>0</td></tr> </table>	Gross	0	Federal	0	GF/GP	0
Gross	0						
Federal	0						
GF/GP	0						

- b. **Day Care Services.** The transfer provided \$922,900 in TANF funding authority from the Homestead Property Tax Credit for Low-income Families account for increased caseload expenditures.

Gross	0
Federal	0
GF/GP	0

HIGHER EDUCATION

The initial appropriation was contained in Public Act 144 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	1.0	1.0
Gross	\$1,943,345,166	\$1,844,901,735
IDG	0	0
Federal	5,500,000	5,500,000
Local	0	0
Private	0	0
Restricted	125,573,850	97,934,802
GF/GP	\$1,812,271,316	\$1,741,466,933

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 746 of 2002

Restoration of Executive Order Reductions. Executive Order 2002-22 (item B.1.a. below) reduced all Higher Education line items funded from State General Fund/General Purpose appropriations (except Midwest Higher Education Compact dues) by 2.5%. This supplemental restored 0.5% of the amounts reduced, and financed the restoration from the Michigan Merit Award Trust Fund.

Gross	9,060,952
Restricted	9,060,952
GF/GP	0

2. Public Act 144 of 2003

Supplementals in the FY 2003-04 Appropriation Act. Public Act 144 of 2003 is the FY 2003-04 annual appropriation act for Higher Education and it includes a section labeled "Part 1A" that appropriates supplemental funds of \$7,000,000 for FY 2002-03. The FY 2002-03 supplemental was funded from the Michigan Merit Award Trust Fund and dollars were allocated as follows: a) \$1,500,000 for Central Michigan University; b) \$2,750,000 distributed to 12 universities (which excluded Central, Grand Valley, Oakland, and Saginaw Valley since they received additional appropriations for floor funding in the FY 2003-04 budget) based on their proportionate share of the FY 2002-03 appropriations for University Operations; and c) \$2,750,000 distributed in equal amounts of \$250,000 each to the same 12 universities.

Gross	7,000,000
Restricted	7,000,000
GF/GP	0

3. Public Act 173 of 2003

Tuition Incentive Program. The Tuition Incentive Program (TIP) provides an incentive to low-income middle and high school students to complete high school and continue on to college by pledging to pay their tuition and fees for associate degree or certificate programs, as well as up to \$2,000 at four-year institutions, if they complete high school. Due to an increase in the TIP caseload, a supplemental appropriation of \$3,400,000 was required to fund the program at a level of \$8,650,000 for FY 2002-03.

Gross	3,400,000
Restricted	3,400,000
GF/GP	0

4. Public Act 237 of 2003

Michigan Merit Award Program. Fiscal Year 2002-03 expenditures for the Merit Award Program were \$67,268,200, and the appropriation for the Program was \$64,323,850 (after the reduction from Executive Order 2002-22, item B.1.b. below), resulting in the need for a supplemental appropriation of \$2,944,350.

Gross	3,000,000
Restricted	3,000,000
GF/GP	0

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

a. Reduction of 2.5%. This Executive Order reduced by 2.5% all Higher Education GF/GP line items, except Midwest Higher Education Compact dues.

Gross	(45,306,783)
GF/GP	(45,306,783)

b. Michigan Merit Award. This Executive Order reduced the Michigan Merit Award Program by \$50,000,000 to reflect the new policy of paying Merit Awards in two annual installments of \$1,250 rather than one \$2,500 payment.

Gross	(50,000,000)
Restricted	(50,000,000)
GF/GP	0

2. Executive Order 2003-3

a. Reduction of 1.5%. This Executive Order reduced by 1.5% all Higher Education GF/GP line items, except Midwest Higher Education Compact dues, State Competitive Scholarships, Tuition Grants, Work Study Grants, Part-time Independent Student Grants, and Michigan Education Opportunity Grants.

Gross	(25,497,600)
GF/GP	(25,497,600)

b. Rare Isotope Accelerator (RIA). This Executive Order reduced by 5.0% the \$2,000,000 in funding for the RIA. Tobacco Settlement Trust Fund dollars were appropriated for design and architectural studies related to the RIA facilities that Michigan State University hopes to build if it is awarded a proposed Federal RIA project.

Gross	(100,000)
Restricted	(100,000)
GF/GP	0

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS

State Budget Office Letter 6-19-03

Tuition Grants. In FY 2002-03, State Tuition Grants were awarded, based on financial need, to approximately 37,000 students attending Michigan independent colleges and universities. Early in the fiscal year, it was apparent that attrition rates were lower than in previous years and that the maximum grant amount would need to be reduced. In December 2002, the maximum grant level was reduced from \$2,750 to \$2,300, but the grant reduction was not enough to keep expenditures in balance with appropriations. This \$1,300,000 transfer of funds from the State Competitive Scholarship Program to the Tuition Grant Program was implemented to offset partially the estimated overcommitment amount of \$3,100,000. Subsequent to this transfer, and after all of the schools had reconciled their accounts with the Department of Treasury, the State Treasurer, on October 6, 2003, determined that an additional \$25 reduction in the grant amount would be necessary to ensure that aggregate payments did not exceed the appropriation. This resulted in a final FY 2002-03 maximum grant of \$2,275.

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

The initial appropriation was contained in Public Act 523 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	241.5	241.5
Gross	71,486,200	69,252,536
IDG	0	0
Federal	8,111,300	8,322,600
Local	0	0
Private	577,400	577,400
Restricted	1,900,900	1,900,900
GF/GP	60,896,600	58,451,636

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 743 of 2001

Renaissance Zone Reimbursement. An increase in funding was appropriated to reimburse local libraries for lost revenues due to the location of a Renaissance Zone in their district. This line was increased from \$657,100 to \$995,600.

Gross	338,500
GF/GP	338,500

2. Public Act 39 of 2001

Library of Michigan Operations. This Federal Reed Act funding was appropriated to make up for a reduction in General Fund funding for the Detroit Public Library. The General Fund reduction was part of a package of cuts required to balance the budget after the January 2001 revenue estimates indicated a shortfall.

Gross	26,900
Federal	26,900
GF/GP	0

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

Due to an October adjustment in revenue estimates, an additional 2.5% reduction in General Fund expenditures was required to balance the budget. This E.O. was issued in December 2002 and the reduction amounts were carried out through a package of legislative transfers. See D.1. below for details.

Gross	(1,522,400)
GF/GP	(1,522,400)

2. Executive Order 2003-3

Due to a January 2003 adjustment in revenue estimates, an additional reduction in General Fund expenditures was required to balance the budget. This E.O. was issued in February 2003 and identified specific cuts to various line items. The Order then was approved by the House and Senate Appropriations Committees pursuant to the Constitution. These reductions included:

a. Administrative Savings. Additional reductions were taken from the administrative line items to effect this reduction.	Gross GF/GP	(690,700) (690,700)
b. Information Technology. The Department of Management and Budget maintained that departments would achieve savings by reducing the demand for application support, eliminating system enhancements, converting vendor staff to State staff, streamlining organization, consolidating infrastructure, obtaining reductions in vendor rates, limiting new purchases, and applying other efficiencies.	Gross GF/GP	(51,464) (51,464)
c. Grant to the Detroit Public Library. This grant received a 1.4% cut in addition to the 3.6% negative adjustments that had been made in Executive Order 2002-22, bringing the total reduction to this grant program to 5%. This line was reduced from the initial appropriation of \$2,877,100 to \$2,780,000.	Gross GF/GP	(26,900) (26,900)
d. State Aid to Libraries. These grants received a 1.4% cut in addition to the 3.6% negative adjustments that had been made in Executive Order 2002-22, bringing the total reduction to this grant program to 5%.	Gross GF/GP	(184,400) (184,400)
e. Arts and Cultural Grants. These grants received a 1.4% cut in addition to the 3.6% negative adjustments that had been made in Executive Order 2002-22, bringing the total reduction to this grant program for the fiscal year to 5%. This reduced the appropriation for this line from \$23,542,600 to \$22,400,500.	Gross GF/GP	(307,600) (307,600)

C. CONTINGENCY FUNDS

State Budget Office Letter 2-19-03

Library of Michigan Operations. This transfer provided for a shift of Federal Reed Act funds to offset an equivalent General Fund reduction for the State Aid to Libraries line item. These funds are to be used for employment assistance activities whereas the General Fund support was available for general operating expenses at local libraries. These funds were awarded on a competitive basis for the purchase of central website services through the Michigan eLibrary (MEL) program. This funding could not be included under the State Aid to Libraries line because of the statutory formula that governed the General Fund dollars.

Gross	184,400
Federal	184,400
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 12-05-02

- | | | |
|--|----------------|--------|
| a. Budgetary Savings. The enacted budget included a negative appropriation unit that equated to a 1% or \$626,800 reduction. This reduction was applied to various line items through a legislative transfer. | Gross
GF/GP | 0
0 |
| b. Early Retirement Savings. The enacted budget included a negative appropriation unit to account for savings that would be realized from the unfilled vacancies that resulted from the early retirement legislation. The savings totaled \$146,300 and were applied to the affected line items through a legislative transfer. | Gross
GF/GP | 0
0 |
| c. Budgetary Savings Included in E.O. 2002-22. In addition to the above-mentioned reductions, additional cuts were required to balance the budget pursuant to a revision in the revenue estimates. These reductions, which totaled \$1,522,400, were applied to various line items through a legislative transfer. | Gross
GF/GP | 0
0 |

2. State Budget Office Letter 9-17-03

- | | | |
|---|----------------|--------|
| Renaissance Zone Reimbursement. General Fund support totaling \$49,500 was transferred from various administrative lines into this line to reimburse local libraries for lost revenue due to the location of a Renaissance Zone in their district. The savings in the administrative lines were achieved through increased administrative efficiencies and a lower projected cost for workers' compensation. The final appropriation for this line item was \$1,045,100. | Gross
GF/GP | 0
0 |
|---|----------------|--------|

DEPARTMENT OF INFORMATION TECHNOLOGY

The initial appropriation was contained in Public Act 528 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	1,765.4	1,765.4
Gross	424,006,800	503,086,800
IDG	424,006,800	503,086,800
Federal	0	0
Local	0	0
Private	0	0
Restricted	0	0
GF/GP	0	0

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 173 of 2003

Child Support Enforcement System. This contingency fund transfer provided a portion of the additional funds necessary to complete implementation, and obtain Federal certification, of the Child Support Enforcement System in the Family Independence Agency (FIA), and was consistent with transfers that were approved for the FIA. An FY 2002-03 contingency fund transfer (Item C.1.a. below) also included an additional \$25,840,300 for this project.

Gross	41,588,700
IDG	41,588,700
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2003-3

Information Technology. The Department of Management and Budget maintained that departments would achieve savings by reducing the demand for application support, eliminating system enhancements, converting vendor staff to State staff, streamlining organization, consolidating infrastructure, obtaining reductions in vendor rates, limiting new purchases, and applying other efficiencies. Savings were allocated to the information technology appropriation for all State departments. While no specific reduction was made to the Department of Information Technology (DIT) budget, the Executive Order reduced interdepartmental grant funds available to DIT by \$10,000,000.

Gross	0
IDG	0
GF/GP	0

**Change from FY 2002-03
Initial Appropriation**

C. CONTINGENCY FUNDS

1. State Budget Office Letter 6-2-03

a. Family Independence Agency (FIA). This contingency fund transfer provided a portion of the additional funds necessary to complete implementation, and obtain Federal certification, of the Child Support Enforcement System in the FIA, and was consistent with transfers that were approved for the Family Independence Agency. Public Act 173 of 2003 (FY 2002-03 supplemental appropriation bill, Item A. above) also included an additional \$41,588,700 for this project.	Gross	25,840,300
	IDG	25,840,300
	GF/GP	0
b. Department of State Police. This contingency fund transfer provided an increase in the authorization to spend additional Law Enforcement Information Network (LEIN) fees collected from local agencies that use the LEIN system in the Department of State Police. The funding was used to cover costs associated with the LEIN mainframe computer system.	Gross	592,000
	IDG	592,000
	GF/GP	0
c. Department of Environmental Quality. This contingency fund transfer provided authorization to use available Federal Environmental Protection Agency (EPA) grant funding for the development and implementation of a system within the Department of Environmental Quality to allow for the electronic submittal of daily and monthly wastewater Discharge Monitoring Reports (DMRs) in lieu of paper submissions. These DMRs are subsequently submitted by the State to the EPA. This is a division-specific system that, when complete, will interface with the EPA's system.	Gross	1,156,000
	IDG	1,156,000
	GF/GP	0

2. State Budget Office Letter 9-17-03

a. Department of Agriculture. The Department of Agriculture transfer related to items that were not included in the original appropriation for FY 2002-03. The information technology costs included Broadband lines, Internet costs, allocated staff, and administrative costs.	Gross	335,000
	IDG	335,000
	GF/GP	0
b. Department of Attorney General. The transfer for the Department of Attorney General recognized 2.0 FTE positions that were transferred to the Department of Information Technology. The adjustment also was included in the FY 2003-04 budget.	Gross	168,000
	IDG	168,000
	GF/GP	0
c. Department of Community Health. The Department of Community Health transfer is related to implementation of the Department's advanced planning document covering Health Insurance Portability and Accountability Act of 1996 (HIPAA) compliance. The funding is from additional Federal Medicaid revenue and General Fund matching funds from the Department of Community Health budget.	Gross	9,400,000
	IDG	9,400,000
	GF/GP	0

**Change from FY 2002-03
Initial Appropriation**

D. TRANSFERS

State Budget Office Letter 12-05-02

Early Retirement Savings. The initial appropriation included a line item reduction of \$3,502,100 related to savings from early retirement legislation (Public Act 93 of 2002).

Gross	0
GF/GP	0

JUDICIARY

The initial appropriation was contained in Public Act 515 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	582.5	582.5
Gross	244,995,800	241,653,800
IDG	2,833,500	2,833,500
Federal	3,901,000	3,911,000
Local	2,941,800	2,940,000
Private	842,500	842,500
Restricted	57,477,700	57,507,700
GF/GP	176,999,300	173,619,100

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 746 of 2002

Judicial Salaries. In conjunction with Executive Order 2002-22, the Judiciary received a 2.5% GF/GP reduction after adjusting for Judges' salaries. The reduction was made to the judicial salaries lines because the appropriation included funding for an estimated 2% State Officer's Compensation Commission (SOCC) increase in Justices' and Judges' salaries effective January 1, 2003. However, a successful Statewide ballot proposal postponed the effective date of the next SOCC increase to January 1, 2005, creating available savings of \$1,324,800. An additional \$953,500 was also available in judicial salaries because of an accounting issue due to the fact that calendar year 2003 had 27 pay dates rather than the usual 26, thereby reducing the biweekly payments, which resulted in nine months of payments at a lower rate for the fiscal year.

Gross	(2,278,300)
GF/GP	(2,278,300)

2. Public Act 39 of 2003

Judiciary Reductions. In conjunction with Executive Order 2003-3, the Judiciary received a 1.2% reduction after adjusting for Judges' salaries. A judiciary savings line was created and savings were transferred throughout the budget as efficiencies and vacancies were realized during the fiscal year.

Gross	(1,103,700)
Local	(1,800)
GF/GP	(1,101,900)

B. EXECUTIVE ORDERS - NONE

C. CONTINGENCY FUNDS

1. State Budget Office Letter 6-02-03

Permanency Planning Mediation Program. The Judiciary received a grant from the U.S. Department of Health and Human Services through an interagency agreement with the Family Independence Agency to pay for an independent evaluation of the Permanency Planning Mediation Program, which provides mediation for child protection disputes.

Gross	10,000
Federal	10,000
GF/GP	0

2. State Budget Office Letter 9-17-03

Appellate Public Defender Program. The Appellate Public Defender Program sells various publications and subscriptions to on-line databases and services, for which it received more revenue than was originally anticipated. Increased revenue reflected both volume and price increases. The transfer allowed additional operational costs to be charged to the available State restricted funds rather than using GF/GP funds.

Gross	30,000
Restricted	30,000
GF/GP	0

D. TRANSFERS - NONE

LEGISLATURE

The initial appropriation was contained in Public Act 528 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
Gross	126,360,200	123,441,500
IDG	1,627,600	1,627,600
Federal	0	0
Local	0	0
Private	400,000	400,000
Restricted	2,530,400	2,530,400
GF/GP	121,802,200	118,883,500
<hr/>		
	Change from FY 2002-03 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 746 of 2002

a. Budget Reductions. Updated revenue estimates projected revenues below the level of initial appropriations. Governor Engler issued Executive Order 2002-22 to bring expenditures in line with projected revenues, pursuant to the requirements of Article V, Section 20 of the Michigan Constitution. The Legislature is not subject to Executive Order reductions. Therefore, this supplemental appropriation was used to implement reductions to the legislative budget.

Gross	(2,575,500)
GF/GP	(2,575,500)

b. House of Representatives. The supplemental appropriation included additional funding for House Operations.

Gross	1,500,000
GF/GP	1,500,000

2. Public Act 39 of 2003

Budget Reductions. Revenue estimates continued to decline in FY 2002-03; therefore, additional reductions became necessary. Governor Engler issued Executive Order 2003-3 to bring expenditures in line with updated revenue projections, pursuant to the requirements of Article V, Section 20 of the Michigan Constitution. This supplemental appropriation was used to implement reductions to the legislative budget.

Gross	(1,843,200)
GF/GP	(1,843,200)

B. EXECUTIVE ORDERS - NONE

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS - NONE

DEPARTMENT OF MANAGEMENT AND BUDGET

The initial appropriation was contained in Public Act 528 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	848.5	848.5
Gross	189,298,300	186,227,911
IDG	109,548,100	109,548,100
Federal	358,600	358,600
Local	0	0
Private	0	0
Restricted	35,355,300	37,073,900
GF/GP	44,036,300	39,247,311

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

Due to revised revenue estimates, Governor Engler issued Executive Order 2002-22 to bring appropriations in line with projected revenues. The Executive Order reduced the General Fund appropriation for the Department by 2.5% by increasing the budgetary savings line item, and requiring legislative transfers to implement the reduction.

Gross	(1,100,900)
GF/GP	(1,100,900)

2. Executive Order 2003-3

a. Administrative Savings. The Department covered this reduction by not filling all of the vacancies related to early retirement legislation and by applying other efficiencies.

Gross	(957,200)
GF/GP	(957,200)

b. Fleet Savings. This Executive Order reduction was related to reducing the number of vehicles assigned to the Department, and making more efficient use of the State fleet.

Gross	(3,700)
GF/GP	(3,700)

c. Information Technology. The Department of Management and Budget (DMB) maintained that departments would achieve savings by reducing the demand for application support, eliminating system enhancements, converting vendor staff to State staff, streamlining organization, consolidating infrastructure, obtaining reductions in vendor rates, limiting new purchases, and applying other efficiencies.

Gross	(2,727,189)
GF/GP	(2,727,189)

**Change from FY 2002-03
Initial Appropriation**

C. CONTINGENCY FUNDS

1. State Budget Office Letter 12-05-02

Fund Shifts/Information Technology Adjustment. As part of the transfer letter that implemented budgetary savings, early retirement reductions, and Executive Order 2002-22 reductions, the DMB included a contingency fund transfer that shifted costs to various restricted funds. This allowed the DMB to continue services and reduce State General Fund costs. An adjustment of \$381,900 also was included to replace a limited number of employees in the Department of Information Technology. Initially, no early retirement replacements were authorized for that Department.

Gross	718,600
Restricted	718,600
GF/GP	0

2. State Budget Office Letter 9-17-03

Office of Retirement Services. This transfer restored funds for the retirement computer system project. The project was funded by annual appropriations from FY 1997-98 through FY 2001-02. Appropriations over that time period totaled \$40,000,000. The project appropriation was inadvertently reduced by \$1,000,000 in FY 2001-02 during the process of establishing work projects and book-closing. This transfer restored the overall multiyear project appropriation to \$40,000,000.

Gross	1,000,000
Restricted	1,000,000
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 12-05-02

a. Early Retirement Savings. The initial appropriation included a line item reduction of \$102,700 related to savings from early retirement legislation (Public Act 93 of 2002).

Gross	0
GF/GP	0

b. Budgetary Savings Included in Initial Appropriation. The initial appropriation included a line item reduction of \$433,700 for budgetary savings. The transfer allocated the reduction to specific line items.

Gross	0
GF/GP	0

c. Budgetary Savings Related to Executive Order 2002-22. This transfer allocated reductions to specific line items to satisfy reductions contained in Executive Order 2002-22.

Gross	0
GF/GP	0

2. State Budget Office Letter 10-31-03

State Fair. This transfer shifted \$491,800 from Departmentwide Services and Statewide Administrative Services to cover State Fair operational and maintenance expenses associated with management of the fairgrounds. Funds were available due to delays in filling vacancies and controls on spending. Costs being funded by the DMB include grounds-keeping, building maintenance, utilities, and other upkeep related to the fairgrounds.

Gross	0
GF/GP	0

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The initial appropriation was contained in Public Act 514 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	1,072.0	1,072.0
Gross	103,364,700	105,923,808
IDG	200,000	200,000
Federal	39,114,500	43,018,800
Local	0	0
Private	530,000	530,000
Restricted	23,437,600	23,796,700
GF/GP	40,082,600	38,378,308

**Change from FY 2002-03
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 746 of 2002

Civil Air Patrol Grant. Public Act 746 provided a grant to the Michigan Civil Air Patrol for equipment related to its search and rescue activities.

Gross	186,000
GF/GP	186,000

2. Public Act 39 of 2003

Family Support Services. Public Act 39 provided funds to support offices that offer services to families of National Guard members.

Gross	50,000
GF/GP	50,000

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

Administrative Reductions. Executive Order 2002-22 ordered administrative reductions in several appropriation lines including Headquarters and Armories (\$92,700), Military Training Sites (\$70,000), Departmentwide Accounts (\$86,000), Special Maintenance-State (\$50,000), Veterans Affairs Directorate (\$50,000) and Information Technology (\$52,100).

Gross	(400,800)
GF/GP	(400,800)

2. Executive Order 2003-3

Administrative Reductions. Executive Order 2003-3 ordered budgetary reductions in several appropriation lines including the Grand Rapids Veterans Home (\$959,100), the D.J. Jacobetti Veterans Home (\$459,100), Civil Air Patrol Grant (\$100,000), and Information Technology (\$21,292).

Gross	(1,539,492)
GF/GP	(1,539,492)

**Change from FY 2002-03
Initial Appropriation**

C. CONTINGENCY FUNDS

1. State Budget Office Letter 12-5-02

Budgetary Savings. The transfer served to offset GF/GP reductions to the veterans homes taken by the noncontingency fund budgetary savings transfer of 12-5-02 noted below (Item D.1), adding Federal contingency funds of \$257,400 to the Grand Rapids Home and \$42,800 to the D.J. Jacobetti Home.

Gross	300,200
Federal	300,200
GF/GP	0

2. State Budget Office Letter 2-19-03

Fund Replacement for Veterans Homes. This transfer used available contingency funds to replace GP/GP funds reduced to the State's veterans home by Executive Order 2003-3. The transfer added funds to the Grand Rapids Veterans Home totaling \$959,100 (750,000 Federal, 209,100 restricted) and to the D.J. Jacobetti Veterans Home totaling \$459,100 in Federal funds.

Gross	1,418,200
Federal	1,209,100
Restricted	209,100
GF/GP	0

3. State Budget Office Letter 6-2-03

Additional Available Federal and Restricted Revenue. This transfer used available Federal contingency funds to support activities at the Department's Military Training Sites and Support Facilities (\$1,000,000) and restricted contingency funds for the operation of the Grand Rapids Veterans Home (\$150,000).

Gross	1,150,000
Federal	1,000,000
Restricted	150,000
GF/GP	0

4. State Budget Office Letter 9-17-03

Additional Available Federal Revenue. This transfer used available Federal contingency funds to support activities at the Department's Military Training Sites and Support Facilities (\$800,000) and restricted contingency funds for the operation of the D.J. Jacobetti Veterans Home (\$70,000).

Gross	870,000
Federal	870,000
GF/GP	0

5. State Budget Office Letter 10-31-03

Additional Available Federal Revenue. This transfer used available Federal contingency funds to support activities at the Department's Military Training Sites and Support Facilities (\$525,000).

Gross	525,000
Federal	525,000
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 12-5-02

a. Budgetary Savings. The transfer served to transfer GP/GP funds to a budget savings line of \$409,600 established in the original budget, Public Act 514 of 2002, including moving GF/GP funds from Headquarter and Armories (\$109,400), the Grand Rapids Veterans Home (\$257,400), and the D.J. Jacobetti Veterans Home (\$42,800).

Gross	0
GF/GP	0

- b. Early Retirement Savings.** The transfer served to transfer GP/GP funds to an early retirement savings line of \$463,200 established in the original budget, by shifting \$463,200 from Headquarters and Armories to the reduction line.

2. State Budget Office Letter 9-17-03

Fund Adjustments. This transfer shifted funds between units to align Department technology costs properly within the budget. Federal funds of \$168,000 were transferred from Information Technology to Headquarters and Armories and a total of \$168,000 from Military Training Sites, the Grand Rapids Veterans Home, the D.J. Jacobetti Veterans Home was transferred to Information Technology.

Change from FY 2002-03 Initial Appropriation	
Gross	0
GF/GP	0
Gross	0
Federal	0
Restricted	0
GF/GP	0

DEPARTMENT OF NATURAL RESOURCES

The initial appropriation was contained in Public Act 525 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	2,075.5	2,080.5
Gross	255,822,000	267,021,847
IDG	3,437,900	3,437,900
Federal	30,427,300	36,096,800
Local	0	0
Private	1,793,700	1,793,700
Restricted	176,338,800	182,568,900
GF/GP	43,824,300	43,124,547

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 39 of 2003

Emerald Ash Borer. The Emerald Ash Borer is a beetle that has infected many ash trees in Michigan, particularly in the southern part of the State. This supplemental appropriation increased the Federal grant funding available for tree planting and forestry activities due to destruction caused by the Emerald Ash Borer. From the appropriation, \$1,500,000 was provided for grants and \$500,000 for administrative activities. This grant is continued in appropriations for FY 2003-04. The Department of Agriculture also has funding to address this issue.

FTE	5.0
Gross	2,000,000
Federal	2,000,000
GF/GP	0

2. Public Act 147 of 2003

Federal Advisory Report. Over the past few years, the United States Fish and Wildlife Service audited the Michigan Game and Fish Protection Fund. A few discrepancies were found and an agreement was reached on how much the Department of Natural Resources needed to reimburse the Game and Fish Protection Fund. An appropriation of \$1,900,000 in restricted funds was made for this purpose in FY 2001-02 and an additional reimbursement of \$556,000 GF/GP was required in either FY 2002-03 or FY 2003-04. A placeholder of \$100 GF/GP was created for this purpose and a language section directed the Department to transfer available funds to the line item for deposit into the Game and Fish Protection Fund. Although a similar placeholder was included for FY 2003-04, a transfer included in the State Budget Office letter of 9-17-03 addressed this issue entirely with funds appropriated in FY 2002-03.

Gross	100
GF/GP	100

3. Public Act 173 of 2003

- a. **Retail Sales System Replacement.** Hunting and fishing licenses are sold at over 1,700 retail outlets across the State. The current electronic system was implemented in 1995 and updates to the equipment and technology were determined to be necessary. A supplemental appropriation from the Game and Fish Protection Fund, which receives revenue from hunting and fishing license sales, was made to address this issue. Replacement license terminals will be installed and new self-serve kiosks will be placed in selected locations.
- b. **Land and Water Conservation Grants.** Federal land and water conservation grants are available to local units of government for the acquisition and development of land for outdoor recreation. A local match of 50% of the project cost is required. The portion of the Department's Federal funding available for these grants is determined mid-year and a supplemental appropriation was made to authorize expenditure of the allotment.
- c. **Payments in Lieu of Taxes.** A shortfall for payments in lieu of taxes on purchased lands was addressed with additional General Fund dollars. The shortfall was a result of increases in the taxable value of property not accounted for in previous appropriations. In addition, the State education tax payment schedule was shifted require collection entirely in the summer instead of dividing it between summer and winter tax payments. Accordingly, two additional mills for the State education tax were paid with the summer taxes instead of three with the winter taxes due during the next fiscal year.

Change from FY 2002-03 Initial Appropriation	
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Gross	4,000,000
Restricted	4,000,000
GF/GP	0

Gross	2,769,500
Federal	2,769,500
GF/GP	0

Gross	1,500,000
GF/GP	1,500,000

B. EXECUTIVE ORDERS

Executive Order 2003-3

1. **Building Occupancy Charges Fund Shift.** Pursuant to a cost allocation plan, State restricted funds may be used to pay a portion of building occupancy charges. General Fund dollars were reduced in this Executive Order and State restricted funds were included in a contingency fund transfer, described below.
2. **Land and Water Conservation Program Fund Shift.** Some Federal funding was available for grant administration and offset a reduction in General Fund dollars. The Federal funds were included in a contingency fund transfer, described below.
3. **General Fund Reductions.** General Fund appropriations were reduced in the amounts of \$100,000 in Finance and Operations Services and \$100,000 in the Office of Information and Education. The savings were to be realized through administrative efficiencies and the hiring freeze.

Gross	(1,175,100)
GF/GP	(1,175,100)

Gross	(200,000)
GF/GP	(200,000)

Gross	(200,000)
GF/GP	(200,000)

		Change from FY 2002-03 Initial Appropriation	
4. Southern Michigan Fire Protection. This General Fund reduction resulted in the closing of seven fire management offices in southern Michigan. The offices were located in Cass City, Plainwell, Twin Lake, Allegan, Middleville, Howell, and Imlay City. Fire management offices in Lansing, Haslett, and Jackson remain open.	Gross	(234,100)	
	GF/GP	(234,100)	
5. Fleet Savings. Across all State departments, underused vehicles were eliminated and the General Fund savings were reflected in individual department budgets. For the Department of Natural Resources, the savings were spread through three different divisions.	Gross	(14,700)	
	GF/GP	(14,700)	
6. Information Technology Savings. On a statewide basis, \$10,000,000 General Fund was eliminated from information technology services. The savings were achieved through changes to application support, reduced system enhancements, the streamlining of organizations, and infrastructure consolidation. The General Fund savings were reflected in individual department budgets.	Gross	(375,953)	
	GF/GP	(375,953)	
C. CONTINGENCY FUNDS			
1. State Budget Office Letter 2-19-03			
Building Occupancy Charges. In response to the reduction of General Fund appropriations for building occupancy charges in Executive Order 2003-3, State restricted funds were appropriated, where available, to compensate for the shortfall.	Gross	1,175,100	
	Restricted	1,175,100	
	GF/GP	0	
2. State Budget Office Letter 6-2-03			
a. Fisheries Resource Management. This transfer increased the authorization to spend a Federal grant from the Department of the Interior. The funds were used for fisheries research, including monitoring and surveying.	Gross	700,000	
	Federal	700,000	
	GF/GP	0	
b. Fish Production. This transfer increased the authorization to spend a Federal grant from the Department of the Interior. The grant was applied to fish production activities at the State's six fish hatcheries. Activities include fish marking, harvesting, and stocking.	Gross	200,000	
	Federal	200,000	
	GF/GP	0	
c. Fisheries Resource Management Fund Replacement. This transfer replaced GF/GP support that was eliminated through transfers in December 2002 as a result of the early retirement program. The funding came from the balance of the Game and Fish Protection Fund to support the Treaty Waters Management and Natural Rivers programs.	Gross	200,000	
	Restricted	200,000	
	GF/GP	0	
d. Timber Harvest. This transfer supported timber marking and harvest activities on lands purchased with the Game and Fish Protection Fund. Funding from forest resource revenue and the Game and Fish Protection Fund for timber marking has fluctuated in the past few years reflecting fund balances. Additional funding was available from the balance of the Game and Fish Protection Fund.	Gross	250,000	
	Restricted	250,000	
	GF/GP	0	

- e. **Land Sale Fund Replacement.** Due to changes to the General Property Tax Act in Public Act 123 of 1999, the Department receives very little revenue from the sale of tax reverted land. Attorney General Opinion No. 7132, issued in May 2003, eliminated the Land Sale Fund, the Department will not receive any revenue from the auction of tax reverted land. This transfer compensated for the decreased funding with available delinquent property tax revenue.
- f. **State Parks Revenue Bond Debt Service.** State parks improvement revenue bonds were issued in FY 2001-02 for projects at Sterling State Park in Monroe. The appropriation for debt service on the bonds was an estimate since the actual repayment schedule was not available at the time of initial appropriation. This contingency fund transfer appropriated additional Park Improvement Fund revenue to reflect the established repayment schedule.

Change from FY 2002-03 Initial Appropriation	
Gross	400,000
Restricted	400,000
GF/GP	0
Gross	205,000
Restricted	205,000
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 12-5-02

- a. **Early Retirement Savings.** The FY 2002-03 initial budget act contained a negative appropriation for General Fund savings from the State's 2002 early retirement program offered in April 2002. This transfer implemented the reductions in specific line items to reflect the savings in particular programs, pursuant to a language section directing the Department to request this action. The transfer distributed \$1,269,200 in savings to 18 different line items.
- b. **Budgetary Savings.** The FY 2002-03 initial budget act contained a negative appropriation to meet reduced estimates of General Fund revenue to the State. This transfer implemented the reductions in specific line items to reflect the savings in particular programs, pursuant to a language section directing the Department to request this action. The transfer applied \$455,500 in savings to the line for information technology services. This amount represented a 1% General Fund reduction.

2. State Budget Office Letter 2-19-03

General Fund Replacement. Federal funds of \$200,000 were available for administrative purposes and transferred to Finance and Operations Services to offset a reduction in General Fund appropriations pursuant to Executive Order 2003-3.

3. State Budget Office Letter 6-2-03

- a. Urban Forestry Grants.** Detroit Edison voluntarily participates in the United States Department of Energy Climate Challenge Program, a tree planting program, as part of its efforts to reduce carbon dioxide in the atmosphere. With the \$100,000 provided through this transfer, grants of up to \$4,000, subject to a 50% cash or in-kind match, were awarded to local units of government applicants from Detroit Edison's service area in Huron, Lapeer, Livingston, Macomb, Monroe, Oakland, Sanilac, St. Clair, Tuscola, Washtenaw, and Wayne Counties.
- b. State Parks Projects.** The Great Lakes Fisheries Trust made two donations for improvements in recreational areas and a transfer was made to allow expenditure of the funds. A grant of \$75,000 was for improvements to a foot trail and parking lot near the Sable River Trail in Ludington State Park. A second grant of \$50,000 was made to create a recreational shore fishing site in Harrison Township from a 9.1 acre parcel. The grant will support the early stages of the project, including surveys, environmental review, preparation of a site plan, and sediment testing.

4. State Budget Office Letter 9-17-03

- a. Early Retirement Correction.** In December 2002, transfers were approved to satisfy a negative appropriation for savings resulting from the April 2002 early retirement program. The State Budget Director reduced one of the approved transfers by \$100 due to insufficient available funds, leaving a negative appropriation in the line. This transfer satisfied the outstanding issue in early retirement savings and the line was at \$0.
- b. Federal Advisory Report.** The United States Fish and Wildlife Service recently audited Michigan's Game and Fish Protection Fund. Pursuant to the resulting Federal Advisory Report, the Department of Natural Resources must reimburse the Game and Fish Protection Fund for \$556,000 from the General Fund. This transfer shifted General Fund spending authorization from several line items across the Department to a line item designated in boilerplate as a deposit into the Game and Fish Protection Fund, in order to satisfy the requirements of the Federal audit.
- c. Office of Property Management.** Attorney General Opinion No. 7132, issued in May 2003, held that the State had to disburse all revenue from the sale of tax reverted land to local units of government. This resulted in the elimination of the Land Sale Fund and a shortfall in available funds. An administrative transfer allowed \$250,000 of delinquent property tax administration revenue to offset the shortfall.

MICHIGAN NATURAL RESOURCES TRUST FUND

There was no initial appropriation for the Michigan Natural Resources Trust Fund (MNRTF).

FTE
Gross
IDG
Federal
Local
Private
Restricted
GF/GP

FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
N/A	N/A
0	32,083,800
0	0
0	0
0	0
0	0
0	32,083,800
0	0
Change from FY 2002-03 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 746 of 2002

Natural Resources Trust Fund Projects. First-round funding from the Natural Resources Trust Fund, totaling \$23,103,400, was provided for 17 acquisition projects.

Gross	23,103,400
Restricted	23,103,400
GF/GP	0

2. Public Act 173 of 2003

Natural Resources Trust Fund Projects. Second-round funding from the Natural Resources Trust Fund, totaling \$8,980,400, was provided for four acquisition projects and 23 development projects.

Gross	8,980,400
Restricted	8,980,400
GF/GP	0

B. EXECUTIVE ORDERS - NONE

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS - NONE

SCHOOL AID

The initial appropriation was contained in Public Act 297 of 2000, and was supplemented by Public Act 121 of 2001, Public Act 191 of 2002, Public Act 521 of 2002 and Public Act 158 of 2003. In addition, in February 2003 there was a proration that resulted in an negative reduction from the original appropriation. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	0.0	0.0
Gross	11,885,323,800	12,555,076,800
IDG	0	0
Federal	145,000,000	1,219,825,200
Local	0	700,000
Private	0	0
Restricted	11,319,710,300	11,085,138,100
GF/GP	420,613,500	249,413,500

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 121 of 2001

- a. **Federal Special Education Dollars.** An increase of Federal Special Education funding for the Individuals with Disabilities Education Act was appropriated in Public Act 121.

Gross	90,000,000
Federal	90,000,000
GF/GP	0

- b. **Governor's Veto of All Discretionary Spending.** Due to budgetary constraints, Governor Engler vetoed all discretionary spending for FY 2002-03 under Public Act 121. The purpose of the vetoes was to give the Legislature the opportunity to make the necessary budget cuts in order to avoid a deficit in future years. Only five programs remained funded after the vetoes: 1) *Durant* nonplaintiff cash payments; 2) *Durant* nonplaintiff debt service payments; 3) Proposal A Obligation payments; 4) School Lunch payments; and 5) Special Education payments. The majority of the cuts were made by eliminating the discretionary payment line item (a reduction of \$2,845,000,000). Other major line items that were eliminated as a result of the Governor's vetoes are listed separately below.

Gross	(3,277,062,200)
Restricted	(2,900,411,500)
GF/GP	(376,650,700)
	0

- c. **Other Major Line Items Eliminated by Vetoes.** This supplemental appropriation eliminated funding for the following programs as a result of the Governor's vetoes: 1) At-Risk Program of \$319,095,200 (all School Aid Fund (SAF)); 2) School Readiness Program of \$72,800,000 (\$72,600,000 SAF and \$200,000 GF/GP); 3) Reading Programs of \$57,750,000 (\$55,000,000 SAF and \$2,750,000 GF/GP); 4) Parental Involvement and Education (PIE) grants of \$45,250,000 (\$45,000,000 SAF and \$250,000 GF/GP); and 5) Adult Education grants of \$75,000,000 (all SAF).

Gross	(569,895,200)
Restricted	(566,695,200)
GF/GP	(3,200,000)

2. Public Act 191 of 2002

a. Federal Funding. This supplemental appropriation transferred all but five Michigan Department of Education (DOE) Federal grants to the School Aid budget so that all K-12-related funding, both State and Federal, would be appropriated in the School Aid budget. Previously, only Federal special education funding was appropriated in the School Aid budget. Of the total change in Federal funding, \$274,631,000 was for school lunch; \$59,837,200 was for the transfer of Federal DOE special education funding; \$2,357,600 was for the Center for Educational Performance and Information (CEPI); and the remaining \$641,414,700 was for the transfer of the DOE Federal grants.	Gross	978,240,500
	Federal	978,240,500
	GF/GP	0
b. Restoration of Previous Vetoes of Discretionary Spending. The supplemental restored funding for the discretionary spending items that were vetoed by the Governor in Public Act 121. In addition to restoring the previous amounts, some line items received an increase in funding from the amount previously appropriated. The majority of the increase was in the Discretionary Payment line item (\$358,800,000). Other major items that were increased above previously appropriated amounts include: CEPI (\$2,168,000); Golden Apples (\$1,320,000); and the State portion of Special Education (\$90,400,000).	Gross	3,562,034,500
	Restricted	3,417,157,800
	GF/GP	144,876,700
c. School Health Curriculum Grants. The supplemental included funding for this line item which was formerly appropriated in the Department of Community Health budget. Funding for this program is used to promote the Michigan Model for Comprehensive School Health.	Gross	3,180,000
	Restricted	3,180,000
	GF/GP	0
d. Local Treasurer Reimbursement. The supplemental included funding for the reimbursement to local treasurers for estimated revenue lost due to the mandatory summer collection of the State Education Tax.	Gross	4,600,000
	Restricted	0
	GF/GP	4,600,000
e. Wireless Technology/Michigan Virtual High School. The supplemental provided a combination of both State and Federal additional funding to the Michigan Virtual High School for at least five pilot projects for developing ways to use wireless technology to improve academic achievement.	Gross	10,084,700
	Federal	6,584,700
	GF/GP	3,500,000
f. School Bond Loan Redemption. The supplemental included this program to pay for the State's debt service on funds lent to school districts. This appropriation was transferred from the Department of Treasury.	Gross	5,374,000
	Local	700,000
	GF/GP	4,674,000

3. Public Act 521 of 2002

Discretionary Payment. This supplemental was needed to increase the amount of funding in the Discretionary Payment line item to cover the costs of supplemental payments to rural school districts experiencing declining enrollments. In addition, \$15,000,000 of this supplemental appropriation went to restore an additional payment to the Detroit Public Schools as a result of having a reform board in place.	Gross	18,500,000
	Restricted	18,500,000
	GF/GP	0

4. Public Act 158 of 2003

a. Funding Source Shift. This supplemental provided a shift in funding sources in order to keep the School Aid Act in balance. Due to a decline in revenue in the School Aid Fund, General Fund/General Purpose (GF/GP) revenue had to be added to the School Aid Act to make up for the shortfall in SAF revenues. There were also some changes in other line items that resulted in net savings to the SAF of \$28,303,300, which are discussed separately below.	Gross	0
	Restricted	(51,000,000)
	GF/GP	51,000,000
b. Durant Nonplaintiff Debt Service. The supplemental provided additional savings in SAF expenditures by realizing the savings from refinancing the debt service payments made by the State on behalf of <i>Durant</i> nonplaintiff school districts. The original amount appropriated for these payments was \$40,000,000; however, there was a cost of \$141,000 associated with refinancing the bonds, resulting in net savings of \$39,859,000.	Gross	(39,859,000)
	Restricted	(39,859,000)
	GF/GP	0
c. School Breakfast. The supplemental provided new funding for the purpose of making payments to districts to reimburse them for the cost of providing breakfast. School breakfast funding is normally appropriated in the Department of Education budget; however, anticipated increased costs made it necessary to appropriate additional funds in this School Aid supplemental.	Gross	2,430,000
	Restricted	2,430,000
	GF/GP	0
d. School Lunch. The supplemental provided additional funding for the School Lunch line item in order to fund the program sufficiently, as required by the <i>Durant</i> settlement.	Gross	215,000
	Restricted	215,000
	GF/GP	0
e. Renaissance Zones. The supplemental provided additional funding for the Renaissance Zone line item due to the addition of new renaissance zones. The payments in this line item reimburse school districts and the SAF for revenue lost due to the presence of renaissance zones, which are exempt from paying certain taxes.	Gross	8,910,700
	Restricted	8,910,700
	GF/GP	0

B. EXECUTIVE ORDERS

Proration - February 2003

Proration of School Aid Act. Although not through a supplemental bill, School Aid funding was prorated in February due to a shortfall in available revenue. The amount of proration necessary to bring the School Aid Act back into balance in FY 2002-03 was \$127,000,000. Prorated payments to school districts began with the February 20, 2003, payment and continued through the remaining payment on August 20, 2003.	Gross	(127,000,000)
	Restricted	(127,000,000)
	GF/GP	0

C. CONTINGENCY FUND TRANSFERS - NONE

D. TRANSFERS

1. State Budget Office Letter 10-30-03

Administrative Transfer - Benton Harbor Desegregation Payment. An administrative transfer of \$3,046,200 was approved to provide funds to Benton Harbor Schools under the court-ordered desegregation plan.

Gross	0
Restricted	0
GF/GP	0

2. State Budget Office Letter 10-31-03

a. Renaissance Zones. An increase of \$823,400 was necessary to fund fully the reimbursements to school districts and the School Aid Fund for revenue lost due to renaissance zones. The funds were transferred from available school breakfast GF/GP dollars.

Gross	0
Restricted	0
GF/GP	0

b. Special Education Hold Harmless. An increase of \$700,000 was necessary to fund fully the hold harmless payments to school districts for special education costs. Funding for this transfer came from the SAF via the school breakfast account. (Excess school breakfast GF/GP dollars were transferred to the Discretionary Payment line item so that discretionary payment SAF dollars could be used to make this transfer.)

Gross	0
Restricted	0
GF/GP	0

c. Special Education Foundation Allowances. An increase of \$800,000 was necessary to fund fully the foundation allowance payments for special education pupils. Funding for this transfer came from the SAF via the school breakfast account. (Excess school breakfast GF/GP dollars were transferred to the Discretionary Payment line item so that discretionary payment SAF dollars could be used to make this transfer.)

Gross	0
Restricted	0
GF/GP	0

DEPARTMENT OF STATE

The initial appropriation was contained in Public Act 528 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	1,847.8	1,847.8
Gross	180,055,800	243,227,961
IDG	96,493,000	96,493,000
Federal	1,319,500	63,319,500
Local	0	0
Private	100	100
Restricted	65,274,200	65,274,200
GF/GP	16,969,000	18,141,161

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 39 of 2003

Federal Help America Vote Act. The Help America Vote Act (HAVA) was signed by the President October 29, 2002. Congress has provided funding to assist with the implementation of the requirements of the Act, which include election administration improvements, replacement of outdated voting equipment, and access improvements for voters with disabilities.

Gross	16,700,000
Federal	16,700,000
GF/GP	0

2. Public Act 173 of 2003

HAVA. In FY 2002-03 the Legislature appropriated additional HAVA funding that will be spent in subsequent fiscal years. Work project authorization was included in Public Act 39 and Public Act 173. The appropriation included \$2,265,000 in State General Fund support to meet Federal match requirements.

Gross	47,565,000
Federal	45,300,000
GF/GP	2,265,000

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

Due to revised revenue estimates, the Governor issued Executive Order 2002-22 to bring appropriations in line with projected revenues. The Executive Order reduced the General Fund appropriation for the Department by 2.5% by increasing the budgetary savings line item, and requiring legislative transfers to implement the reduction.

Gross	(424,200)
GF/GP	(424,200)

**Change from FY 2002-03
Initial Appropriation**

2. Executive Order 2003-3

a. Administrative Savings. The Department covered this reduction was covered by not filling all of the vacancies related to early retirement legislation and by applying other efficiencies.	Gross	(463,200)
	GF/GP	(463,200)
b. Fleet Savings. This Executive Order reduction is related to reducing the number of vehicles assigned to the Department, and making more efficient use of the State fleet.	Gross	(3,400)
	GF/GP	(3,400)
c. Information Technology. The Department of Management and Budget maintained that departments would achieve savings by reducing the demand for application support, eliminating system enhancements, converting vendor staff to State staff, streamlining organization, consolidating infrastructure, obtaining reductions in vendor rates, limiting new purchases, and implementing other efficiencies.	Gross	(202,039)
	GF/GP	(202,039)

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS

State Budget Office Letter 12-05-02

1. Early Retirement Savings. The initial appropriation included a line item reduction of \$594,800 related to savings from early retirement legislation (Public Act 93 of 2002).	Gross	0
	GF/GP	0
2. Budgetary Savings Included in Initial Appropriation. The initial appropriation included a line item reduction of \$182,900 for budgetary savings. The transfer allocated the reduction to specific line items.	Gross	0
	GF/GP	0
3. Budgetary Savings Related to Executive Order 2002-22. This transfer allocated the \$424,200 reduction contained in Executive Order 2002-22 to specific line items.	Gross	0
	GF/GP	0

DEPARTMENT OF STATE POLICE

The initial appropriation was contained in Public Act 526 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	3,445.5	3,445.5
Gross	415,632,200	479,740,348
IDG	19,282,800	19,282,800
Federal	45,570,500	117,210,500
Local	3,913,700	4,505,700
Private	0	0
Restricted	59,816,900	61,351,900
GF/GP	287,048,300	277,389,448

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 39 of 2003

Homeland Security. Public Act 39 provided State authority to spend Federal grants made to Michigan for homeland security costs. The grants, primarily for first-responder needs, require that a minimum of 85% of grant funds be passed through to local units of government. The Act provided \$42,164,000 for the Homeland Security Grant Program line and \$15,918,000 for the Hazardous Materials Program line.

Gross	58,082,000
Federal	58,082,000
GF/GP	0

2. Public Act 173 of 2003

Homeland Security—Urban Centers. Public Act 173 provided State authority to pass through a Federal homeland security grant targeted for homeland security costs of the urban centers, to the City of Detroit, appropriated through the Hazardous Materials Program line.

Gross	12,270,000
Federal	12,270,000
GF/GP	0

**Change from FY 2002-03
Initial Appropriation**

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

Administrative Reductions. Executive Order 2002-22 ordered administrative reductions in several appropriation lines including the Executive Direction (\$59,600), Support Services (\$239,400), Highway Safety (\$9,200), Criminal Justice Information Center (\$31,400), Forensic Sciences (\$144,700), Michigan Commission on Law Enforcement Standards (\$31,100), Fire Marshal (\$250,000), Emergency Management (\$29,100), Uniform Services (\$2,527,000), Special Operations (\$112,000), Criminal Investigations (\$555,900), Motor Carrier Enforcement (\$21,300), and Information Technology (\$294,700).

Gross	(4,305,700)
GF/GP	(4,305,700)

2. Executive Order 2003-3

Administrative Reductions. Executive Order 2003-03 ordered administrative reductions in several appropriation lines including Executive Direction (\$59,500), Departmentwide Appropriations (\$69,500), Support Services (\$497,100), Highway Safety (\$4,100), Criminal Justice Information Center (\$12,600), Forensic Sciences (\$125,500), Michigan Commission on Law Enforcement Standards (\$10,000), Fire Marshal (\$29,900), Emergency Management (\$18,200), Uniform Services (\$2,362,500), Special Operations (\$149,200), Criminal Investigations (\$634,100), Motor Carrier Enforcement (\$97,300) and Information Technology (\$1,283,652).

Gross	(5,353,152)
GF/GP	(5,353,152)

C. CONTINGENCY FUNDS

1. State Budget Office Letter 6-2-03

Addition Federal, Private and Restricted Funds. This transfer used available contingency funds to provide additional Federal funds for Criminal Investigations (\$200,000) and, Forensic Sciences (\$1,088,000), Restricted funds for Forensic Sciences (\$825,000), and Local funds for Information Technology.

Gross	2,705,000
Federal	1,288,000
Local	592,000
Restricted	825,000
GF/GP	0

2. State Budget Office Letter 10-31-03

Additional Narcotics Revenue. This transfer used additional available contingency funds to provide Restricted funds for Departmentwide Appropriations unit costs for narcotics investigations.

Gross	710,000
Restricted	710,000
GF/GP	0

**Change from FY 2002-03
Initial Appropriation**

D. TRANSFERS

1. State Budget Office Letter 12-5-02

Budgetary Savings. The transfer served to move GP/GP funds to a budget savings line of \$2,899,5600 established in the original budget, Public Act 526 of 2002, including moving GF/GP funds from Executive Direction (\$111,800), Support Services (\$476,200), Criminal Justice Information Center (\$218,100), Michigan Commission on Law Enforcement Standards (\$56,800), Fire Marshal (\$200), Emergency Management \$(3,800), Uniform Services (\$1,300,500), Special Operations (\$44,600), Criminal Investigations (\$283,000), Motor Carrier Enforcement (\$200,000), and Information Technology (\$204,500).

Gross	0
Federal	0
GF/GP	0

2. State Budget Office Letter 6-2-03

Adjustment for Early Retirements. This transfer was made to reflect accurately savings from the early retirement program and changes in costs related to retirement rates. Appropriations from the Uniform Services unit (633,400) were transferred to Highway Safety Planning (5,000), Criminal Justice Information Center (6,800), Forensic Sciences (232,500), Special Operations (365,000), Fire Marshal (22,100), and Emergency Management (2,000).

Gross	0
GF/GP	0

3. State Budget Office Letter 9-17-03

a. Enlisted Terminal Leave Payments. This administrative transfer was made to pay for unfunded enlisted terminal leave payments with funds transferred from lines that had available GF/GP funds due to unfilled vacancies. Funds were shifted from Highway Safety Planning (\$70,000), Support Services–Management Services (\$158,800), Commission on Law Enforcement Standards (\$14,400), Uniform Services–At Post Troopers (\$1,700,000), and Special Operations–Operational Support (\$84,500), to Executive Direction (\$155,500), Support Services–Human Resources (\$165,500), Emergency Management (\$234,500), Uniform Services–Uniform Services (\$1,402,200), and Special Operations–Aviation Program (\$70,000).

Gross	0
GF/GP	0

b. Workers' Compensation/Enlisted Terminal Leave Payments. This administrative transfer was made to pay for unfunded workers' compensation costs and enlisted terminal leave payments with funds transferred from lines that had available GF/GP funds due to unfilled vacancies and a spending freeze. Funds were shifted from Highway Safety Planning (\$40,000), Commission on Law Enforcement Standards (\$8,690), Criminal Justice Information Center (\$187,000), and Motor Carrier Enforcement (\$10,000), to Departmentwide Appropriations (\$10,406) and Criminal Investigations (\$235,284).

Gross	0
GF/GP	0

STRATEGIC FUND AGENCY

The initial appropriation was contained in Public Act 517 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	231.5	231.5
Gross	153,656,500	149,083,400
IDG	100,900	100,900
Federal	62,953,300	62,953,300
Local	0	0
Private	853,100	853,100
Restricted	45,050,000	32,550,000
GF/GP	44,699,200	52,626,100

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 173 of 2003

- 1. Automotive Technological Accelerator Grants.** These grants are allocated to Kettering Institute (\$400,000) and Oakland University (\$1,800,000) for fuel cell and other alternative energy research.
- 2. Biosciences Research and Commercialization Center.** This funding is allocated to Western Michigan University to support a commercialization center that will focus on research and development activities in the pharmaceutical industry.

Gross	2,200,000
GF/GP	2,200,000
Gross	10,000,000
GF/GP	10,000,000

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

Due to an October adjustment in revenue estimates, an additional 2.5% reduction in General Fund expenditures was required to balance the budget. This E.O. was issued in December 2002 and the reduction amounts were carried out through a package of legislative transfers. See D.1. below for details.

Gross	(3,000,000)
GF/GP	(3,000,000)

2. Executive Order 2003-3

Due to a January adjustment in revenue estimates, an additional reduction in General Fund expenditures was required to balance the budget. This E.O. was issued in February 2003 and identified specific cuts to various line items. The Order then was approved by the House and Senate Appropriations Committees pursuant to the Constitution. These reductions included:

a. Administrative Savings. Additional reductions were taken from the administrative line items to effect this reduction and include \$7,300 in fleet savings.	Gross	(973,100)
	GF/GP	(973,100)
b. Michigan Promotion Program. This appropriation funds the marketing campaigns that promote Michigan as a travel destination and also funds the advertising costs in regional media such as <i>Midwest Living</i> magazine. This line was reduced from \$7,417,500 to \$7,117,500.	Gross	(300,000)
	GF/GP	(300,000)
c. Life Sciences Initiative. This line was reduced from \$37,500,000 to \$25,000,000. These grants support basic and applied research in health- and aging-related areas.	Gross	(12,500,000)
	Restricted	(12,500,000)
	GF/GP	0

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS

State Budget Office Letter 12-05-02

1. Budgetary Savings. The enacted budget included a negative appropriation unit that equated to a 1% or \$460,800 reduction. These reductions were applied to various line items through a legislative transfer.	Gross	0
	GF/GP	0
2. Early Retirement Savings. The enacted budget included a negative appropriation unit to account for savings that would be realized from the unfilled vacancies that resulted from the early retirement legislation. The savings totaled \$895,200 and were applied to the affected line items through a legislative transfer.	Gross	0
	GF/GP	0
3. Budgetary Savings Included in E.O. 2002-22. In addition to the above-mentioned reductions, additional cuts were required to balance the budget pursuant to a revision in the revenue estimates. These reductions, which totaled \$3,000,000, were applied to various line items through a legislative transfer. The cuts included \$1,095,000 in additional administrative reductions, a \$1,200,000 reduction to the Economic Development Job Training Grants, and \$700,000 to the Michigan Promotion program.	Gross	0
	GF/GP	0

DEPARTMENT OF TRANSPORTATION

The initial appropriation was contained in Public Act 561 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	3,069.3	3,069.3
Gross	3,091,900,500	3,113,421,400
Federal	963,136,100	987,966,100
Local	5,800,000	5,800,000
Restricted	2,122,964,400	2,119,655,300
GF/GP	0	0

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 560 of 2002

Airport Safety and Protection Plan. This legislation contained language that conditioned the \$5,000,000 appropriation for the Airport Safety and Protection Plan (Public Act 561 of 2002) on passage of House Bill (H.B.) 4454 of the 91st Legislature. Public Act 560 also repealed Section 805 of Public Act 561 of 2002, which conditioned the \$5,000,000 appropriation on passage of H.B. 4454 by September 30, 2002.

Gross	N/A
GF/GP	N/A

2. Public Act 746 of 2002

Asset Management Council. Funding was provided for the Asset Management Council created by Public Act 499 of 2002. The Council is charged with advising the State Transportation Commission on a statewide asset management strategy, a practice that involves maintaining, upgrading, and operating physical assets efficiently. The funding was used to develop a continuous physical inventory, conduct a condition assessment, and publish a three-year road and bridge program for all roads in Michigan eligible for Federal aid.

Gross	1,690,900
Restricted	1,690,900
GF/GP	0

3. Public Act 39 of 2003

Federal Aid to Local Road Agencies. Governor Engler vetoed \$24,000,000 in Federal funding contained in the enrolled budget bill and designated to the Critical Bridge Fund for use on local bridges. Consistent with Federal Highway Administration guidelines, 15% of all Federal aid bridge funds coming to Michigan is earmarked for local projects. The enrolled bill included a 20% earmark of the Federal bridge funds for locals, thereby increasing the allotment by \$6,000,000 and reducing the State's share by an equal amount.

Gross	18,000,000
Federal	18,000,000
GF/GP	0

**Change from FY 2002-03
Initial Appropriation**

Public Act 39 restored only the local share of the vetoed funding (\$18,000,000), but under the traditional 15% (local)/85% (State) split.

4. Public Act 173 of 2003

Airport Safety and Protection Plan. Funding originally designated to cover debt service payments on bonds issued for the Airport Safety and Protection Plan (ASAP) was eliminated. The Department did not issue any debt for ASAP in FY 2002-03 and the funding was not needed for debt payments. However, the State Aeronautics Fund revenue was reappropriated in a Capital Outlay supplemental (P.A. 173 of 2003) for various projects under the Airport Improvement Program.

Gross	(5,000,000)
Restricted	(5,000,000)
GF/GP	0

B. EXECUTIVE ORDERS - NONE

C. CONTINGENCY FUNDS

State Budget Office Letter 6-02-03

- 1. Intercity Intermodal Passenger Terminals.** This transfer provided authorization to receive and expend additional Federal revenue for intercity intermodal passenger terminal projects.

Gross	1,700,000
Federal	1,700,000
GF/GP	0

- 2. Ride Sharing.** This transfer provided authorization to receive and spend additional Federal revenue from the Department of Energy, oil overcharge settlement fees for the ride sharing program.

Gross	130,000
Federal	130,000
GF/GP	0

- 3. High Speed Rail.** This transfer provided authorization to receive and spend additional Federal revenue from the Federal Transit Administration for the Detroit-Chicago high speed rail project.

Gross	5,000,000
Federal	5,000,000
GF/GP	0

D. TRANSFERS - NONE

DEPARTMENT OF TREASURY - DEBT SERVICE

The initial appropriation was contained in Public Act 528 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
Gross	59,586,400	59,586,400
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	0	40,000,000
GF/GP	59,586,400	19,586,400

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 746 of 2002

Funding Shift Related to E.O. 2002-22. The supplemental appropriation included \$30,000,000 from the Cleanup and Redevelopment Fund and \$10,000,000 from the Environmental Response Fund to replace the \$40,000,000 GF/GP reduction to the Quality of Life Bond debt service appropriation that was contained in Executive Order 2002-22.

Gross	40,000,000
Restricted	40,000,000
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2002-22

Due to revised revenue estimates, the Governor issued Executive Order 2002-22 to bring appropriations in line with projected revenues. The Executive Order included a reduction to the Quality of Life Bond debt service appropriation. The reduction was replaced with restricted funding in a supplemental appropriation act (Public Act 746 of 2002).

Gross	(40,000,000)
Restricted	(40,000,000)
GF/GP	0

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS - NONE

DEPARTMENT OF TREASURY - OPERATIONS

The initial appropriation was contained in Public Act 528 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	1,852.5	1,852.5
Gross	368,480,500	374,340,197
IDG	19,445,300	19,445,300
Federal	44,296,100	45,422,900
Local	910,800	910,800
Private	0	0
Restricted	252,233,900	252,837,600
GF/GP	51,594,400	55,723,597

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 746 of 2002

- a. **Senior Citizen Cooperative Housing Tax Exemption.** The original appropriation of \$14,350,600 was insufficient to cover property taxes based on the number of units that qualified. The supplemental brought total funding for the program to \$16,200,000.
- b. **Qualified Agricultural Loan Payments.** Public Act 16 of 2002 authorized no-interest agricultural loans for farms that incurred losses due to bad weather in 2001. The supplemental appropriation provided funding for the program.

Gross	1,849,400
GF/GP	1,849,400
Gross	6,000,000
GF/GP	6,000,000

2. Public Act 173 of 2003

Low-Income Energy Assistance. This supplemental appropriation provided additional Federal low income energy assistance funding for operational costs related to processing basic home heating assistance payments with the Family Independence Agency (FIA), consistent with an FIA/Treasury agreement. The initial FY 2002-03 appropriation for the administration of this program was \$1,600,000. There also was a \$675,600 contingency fund transfer for this program. (Item C.1.b. below)

Gross	351,200
Federal	351,200
GF/GP	0

**Change from FY 2002-03
Initial Appropriation**

B. EXECUTIVE ORDERS

1. Executive Order 2002-22

Budgetary Savings. The Executive Order reduced the General Fund appropriation for the Department by 2.5% by increasing the budgetary savings line item, and requiring legislative transfers to implement the reduction.

Gross	(1,289,900)
GF/GP	(1,289,900)

2. Executive Order 2003-3

a. Tax Increment Finance Authority (TIFA). Sufficient funds existed in a work project account to cover anticipated reimbursements. The Executive Order eliminated the entire appropriation for FY 2002-03.

Gross	(500,100)
GF/GP	(500,100)

b. Administrative Savings. The Department covered this reduction by not filling all of the vacancies related to early retirement legislation and by implementing other efficiencies.

Gross	(914,800)
GF/GP	(914,800)

c. Fleet Savings. This Executive Order reduction is related to reducing the number of vehicles assigned to the Department, and making more efficient use of the State fleet.

Gross	(5,500)
GF/GP	(5,500)

d. Information Technology. The Department of Management and Budget maintained that departments would achieve savings by reducing the demand for application support, eliminating system enhancements, converting vendor staff to State staff, streamlining organization, consolidating infrastructure, obtaining reductions in vendor rates, limiting new purchases, and applying other efficiencies.

Gross	(1,009,903)
GF/GP	(1,009,903)

C. CONTINGENCY FUNDS

1. State Budget Office Letter 6-02-03

a. Michigan Gaming Control Board. A \$32,000 transfer from contingency funds to the unclassified positions and office of the Director line items for the Michigan Gaming Control Board was necessary to cover one-time costs associated with the early retirement payouts for the former director.

Gross	32,000
Restricted	32,000
GF/GP	0

b. Low-Income Energy Assistance. This transfer provided additional Federal low income energy assistance funding for operational costs related to processing basic home heating assistance payments with the FIA, consistent with an FIA/Treasury agreement. There is also a \$351,200 supplemental pending regarding this issue. (Item A.2. above)

Gross	675,600
Federal	675,600
GF/GP	0

Change from FY 2002-03 Initial Appropriation	
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2. State Budget Office Letter 9-17-03

a. **Michigan Merit Award Board/MEAP Administration.** The National Center for Education Statistics (NCES) provides each state education agency with funding for a National Assessment for Educational Progress (NAEP) State Administrator to coordinate the administration of NAEP within the state; promote understanding about NAEP and its relevance to the state program; and disseminate and communicate NAEP results to stakeholders. Under current legislation, NAEP reading and mathematics assessments to 4th and 8th grade students began to be administered in 2003. This one-time initiative involves a \$100,000 commitment each year over a four year period. The initial appropriation for FY 2002-03 did not include an appropriation for this initiative. This transfer allowed the Department to receive the Federal funds and evaluate the assessments administered in FY 2002-03. Future funding will require supplemental appropriations.

Gross	100,000
Federal	100,000
GF/GP	0

b. **State Education Tax Collection Account.** Public Act 244 of 2002 provides for a 1% administration fee to be charged to counties/cities/villages/school districts for the collection of the State education tax. The Act provides for State collection of the State education tax for local governments that do not collect the tax. The Act also authorizes a 1% administration fee to be charged to taxpayers for that purpose. This transfer authorized support for State collection responsibilities.

Gross	50,000
Restricted	50,000
GF/GP	0

c. **Delinquent Property Tax Administration Fund.** This transfer allowed the Department of Treasury to conduct title searches on tax delinquent property that existed before the enactment of Public Act 123 of 1999. The Act established a new process and funding source (Land Reutilization Fund) for administering the disposition of tax delinquent property. After the FY 2002-03 budget was enacted, the Department was informed that 8,000 to 10,000 tax reverted properties still need to be processed under the prior law. Delinquent property tax administration fund revenue was available to support this one-time initiative.

Gross	521,700
Restricted	521,700
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 12-05-02

a. **Early Retirement Savings.** The initial appropriation included a line item reduction of \$2,156,500 related to savings from early retirement legislation (Public Act 93 of 2002). The transfer allocated the reduction to specific line items.

Gross	0
GF/GP	0

b. **Budgetary Savings Included in Initial Appropriation.** The initial appropriation included a line item reduction of \$542,900 for budgetary savings. The transfer allocated the reduction to specific line items.

Gross	0
GF/GP	0

c. **Budgetary Savings Related to Executive Order 2002-22.** This transfer allocated the \$1,289,900 reduction contained in Executive Order 2002-22 to specific line items.

Gross	0
GF/GP	0

**Change from FY 2002-03
Initial Appropriation**

2. State Budget Office Letter 6-02-03

Banking and Management Services. A \$200,000 transfer was approved to support seasonal mail services associated with the processing of tax returns as part of the Administrative Services program appropriation. For FY 2002-03, mail processing services included an additional document preparation step to facilitate electronic data entry and processing of individual income and business tax returns, which results in greater overall efficiency of tax processing operations. These funds were available from the rent and building occupancy charges line item as a result of savings associated with the consolidation of field offices.

Gross	0
GF/GP	0

DEPARTMENT OF TREASURY - REVENUE SHARING

The initial appropriation was contained in Public Act 528 of 2002. See the FY 2002-03 Appropriations Report published in October 2002 for a detailed description.

	FY 2002-03 Initial Appropriation	FY 2002-03 Year-End Appropriation
FTE	N/A	N/A
Gross	1,577,800,000	1,451,378,000
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	1,577,800,000	1,451,378,000
GF/GP	0	0

Change from FY 2002-03 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

Executive Order 2002-22

The Executive Order reduced statutory revenue sharing payments by \$63,000,000. Supplemental legislation, Public Act 679 of 2002 and Public Act 168 of 2003, altered the way the reduction would be distributed across local units of government. Without this legislation, the reductions would have been distributed according to the revenue sharing formula and the effect of the reductions would not have been uniform across local units. The legislation was designed to equalize the reduction across all local units, such that all local units received approximately a 4.3% reduction from the amount they would have received absent Executive Order 2002-22.

Gross	(63,000,000)
Restricted	(53,100,000)
GF/GP	(9,900,000)

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS - NONE

E. OTHER ADJUSTMENTS

The revenue sharing appropriations were based on consensus sales tax estimates adopted at the May 2002 Consensus Revenue Estimating Conference. The appropriated levels represented the maximum amount that would be distributed for restricted revenue sharing. Actual sales tax collections were lower than the May 2002 forecast and thus the full appropriation could not be supported, even accounting for the Executive Order reductions. Actual revenue sharing distributions totaled \$1,451,377,641, or \$82,122,359 less than initially appropriated and \$11,218,460 less than estimated at the time of Executive Order 2002-22.

Restricted	(19,122,000)
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